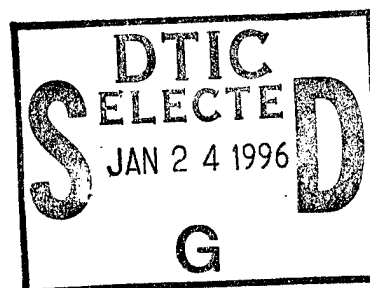# NAVAL POSTGRADUATE SCHOOL
Monterey, California

THESIS

**U.S. NATIONAL SECURITY STRATEGY IN
SOUTHEAST ASIA: A REAPPRAISAL**

by

Douglas D. Freeseman

June 1995

Thesis Advisor: Claude A. Buss

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REPORT DOCUMENTATION PAGE

Form Approved OMB No. 0704

1. AGENCY USE ONLY (Leave blank)	2. REPORT DATE June 1995	3. REPORT TYPE AND DATES COVERED Master's Thesis	

4. TITLE AND SUBTITLE U.S. NATIONAL SECURITY STRATEGY IN SOUTHEAST ASIA: A REAPPRAISAL	5. FUNDING NUMBERS
6. AUTHOR FREESEMAN, DOUGLAS D.	
7. PERFORMING ORGANIZATION NAME AND ADDRESS Naval Postgraduate School Monterey, CA 93943-5000	8. PERFORMING ORGANIZATION REPORT NUMBER
9. SPONSORING/MONITORING AGENCY NAME AND ADDRESS	10. SPONSORING/MONITORING AGENCY REPORT NUMBER

11. SUPPLEMENTARY NOTES

The views expressed in this thesis are those of the author and do not reflect the official policy or position of the Department of Defense or the U.S. Government.

12a. DISTRIBUTION/AVAILABILITY STATEMENT Approved for public release; distribution is unlimited.	12b. DISTRIBUTION CODE

13. ABSTRACT (maximum 200 words)

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14. SUBJECT TERMS United States, national interests, strategy, Asia-Pacific, Southeast Asia, ASEAN, multilateralism	15. NUMBER OF PAGES 133
	16. PRICE CODE

17. SECURITY CLASSIFICATION OF REPORT Unclassified	18. SECURITY CLASSIFICATION OF THIS PAGE Unclassified	19. SECURITY CLASSIFICATION OF ABSTRACT Unclassified	20. LIMITATION OF ABSTRACT UL

NSN 7540-01-280-5500

Standard Form 298 (Rev. 2-89)
Prescribed by ANSI Std. Z39-18
298-102

U.S. NATIONAL SECURITY STRATEGY IN SOUTHEAST ASIA: A REAPPRAISAL

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Submitted in partial fulfillment of the
requirements for the degree of

MASTER OF ARTS IN NATIONAL SECURITY AFFAIRS

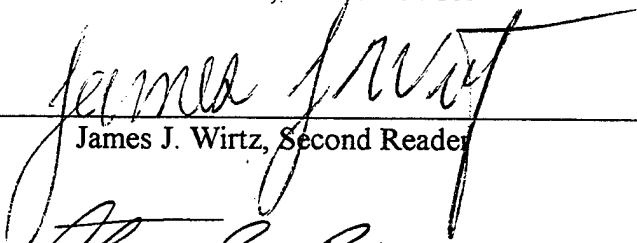from the

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ABSTRACT

The United States found itself at the end of the Cold War with a predominately military national security strategy that has been less relevant in coping with the residue of the bi-polar world. Furthermore, the general diffusion of power in the international system from military capability towards economic might highlights the need for a general reappraisal of U.S. interests, objectives, and strategy. This thesis begins with a definition of global U.S. national interests and then defines the specific objectives of the national strategy as applied to the Asia-Pacific region and Southeast Asia. In following chapters, it analyzes the security environment of Southeast Asia, the enduring and developing conflicts within the region and with external powers, as well as mechanisms for conflict resolution. Finally, it asks whether official U.S. strategy adequately promotes and protects the national interests of the United States. It concludes that the current U.S. national security strategy of "engagement and enlargement" is flawed and must not confuse the national interests, such as the survival of the United States and its prosperity, or put international relationships at risk for the sake of national values, such as the promotion of democracy and human rights abroad. It supports continued "engagement" as a basic strategy without the emphasis on "enlargement" of a particular system of values as perceived by the Americans.

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I. INTRODUCTION

Southeast Asia[1] is a diverse region made up of ten states. All but one, Laos, are coastal states with significant maritime interests. They are all developing states with different land areas, coastlines, populations, degrees of ethnic and religious diversity, levels of industrialization, and economic prosperity. The Association of Southeast Asian Nations (ASEAN) have all pursued export-oriented development and therefore have very competitive economies within the region. They compete for external capital and jobs based on labor costs and productivity and for markets overseas. Continued development requires peace and stability in the region and a secure maritime trade for import and export of raw materials and products. The Indochina states, embroiled in conflict for most of the Cold War, are only now opening their economies to the outside. Burma's repressive regime continues to keep that nation isolated from the rest of Southeast Asia.

In spite of this competition, one of the primary success stories of Southeast Asia has been the formal and informal relationships that have developed beginning with economic cooperation that may provide a model for future security cooperation. To understand Southeast Asia, it is important to remember its position as a sub-region within the greater Asia-Pacific.[2]

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[1] Southeast Asia consists of: the six current members of the Association of Southeast Asian Nations or ASEAN(Brunei, Indonesia, Malaysia, the Philippines, Thailand, and Singapore); the three Indochina states (Cambodia, Laos, and Vietnam); and Burma.

[2] The Asia-Pacific region consists of: East Asia (Japan, the Korean peninsula, the People's Republic of China, Russia, and Taiwan), Southeast Asia, and the South Pacific. Used here, the

Southeast Asia spent most of the Cold War split into roughly non-communist and communist camps each with its superpower patron. The non-communist states came together in ASEAN. ASEAN was formed in August 1967 with the announcement of the "Bangkok Declaration" by the original five members: Malaysia, Thailand, Indonesia, the Philippines, and Singapore. Its formation came soon after Indonesia and the Philippines finally extended recognition to the Federation of Malaysia and the end of direct confrontation between Indonesia and Malaysia that had been going on since 1963.

According to the Bangkok Declaration, ASEAN was established "to accelerate economic growth, social progress and cultural development in the region... to promote regional peace and stability... [and] to promote active collaboration and mutual assistance on matters of common interest in the economic, social, cultural, technical, scientific, and administrative fields."[3] While the ASEAN members have determined that it is in their national interest to cooperate on many areas of common interest, they have concentrated on economic cooperation. According to Norman Palmer, the framers of ASEAN "insisted that the new organization would not deal directly with security matters and would also avoid controversial political issues. This stated aversion to formal involvement with problems of security and defense and delicate political issues is

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greater Asia-Pacific includes this diverse region as well as the interests of Australia and New Zealand, Canada, India, Russia, and the United States.

[3] From the text of the Bangkok Declaration in Michael Leifer, ASEAN and the Security of South-East Asia (London: Routledge, 1989), 161.

characteristic of almost all the regional organizations in Asia and the Pacific."[4] It has only been the combination of almost three decades of cooperation and the end of the Cold War that has transformed a dialogue, traditionally concentrated on economic issues, towards security concerns.

The communist camp, roughly consisting of the Indochina states, spent most of the Cold War in bloody, ideological conflict, isolated from the rest of Southeast Asia. At the end of the Cold War, these states were emerging from the third Indochina conflict following the Paris Agreement of 1991 and the total withdrawal of Vietnamese troops from Cambodia. They have a long way to go to catch up with the rest of Southeast Asia both economically and as full members of the regional family.

While all of Southeast Asia felt the grip of Cold-War internal insurgencies, the Cold War in Southeast Asia was fought primarily in Indochina. With the exception of the first Indochina conflict, which involved the French, Indochina was the nexus where Chinese, Soviet, and U.S. interests met. This kept the focus of ASEAN on the continental balance of power in Southeast Asia between Thailand backed by the United States and Vietnam supported by China and the Soviet Union.

With the end of the Cold War, the bi-polar world has given way to a new arrangement of great power relationships. The end of the Cold War has also brought to an end the ideological phase of the conflict in Indochina. This fundamental change in the security environment of Southeast Asia explains the need for a re-examination of the

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[4] Norman D. Palmer, The New Regionalism in Asia and the Pacific (Lexington Books, 1991), 65.

security strategies which have been pursued in Southeast Asia for the last four decades by the United States.

It is imperative to ask whether the national security strategy of the United States has kept up with the changes that have taken place in the international system and whether it adequately promotes and protects the national interests of the United States. To answer this question, Chapter II of this thesis begins with a definition of global U.S. national interests and then defines those specific objectives of the national security strategy as applied to the Asia-Pacific region. In Chapter III, conflicts of interest in the region are examined. In Chapter IV, the interests of extra-regional states with Southeast Asia are explored. Chapter V examines the role of conflict resolution in Southeast Asia and the future of new multilateral initiatives. In the conclusion, U.S. national security strategy is assessed in terms of its ability to cope with developments in the region.

II. U.S. NATIONAL SECURITY STRATEGY IN ASIA

Samuel P. Huntington has broadly defined national strategy as "the development and use of the entire range of resources (political, economic, military, or some combination) by a government to achieve its objectives against the opposition of another government or group."[5] An integral part of this definition is that strategy cannot be defined in a vacuum, it must be formulated in response to a threat. This threat-driven definition, however, is not very useful in developing a comprehensive national strategy in the current international environment. Without the overarching bi-polar threat, a looser, goal-driven or uncertainty based, definition of strategy must be used.

A goal driven strategy refers to the national policy of a government that promotes its security objectives. Such a strategy began with NSC-68, the watershed document that was the foundation of the Cold-War policy of containment. NSC-68 was more than just a military strategy, it was a "broad concept of national strategy involving economics, politics, military policy, and psychological warfare."[6] Since that time, the national security strategy of the United States has cycled between this broad focus and a strategy with a predominant military emphasis.

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[5] Samuel P. Huntington, "The evolution of U.S. National Strategy," in Daniel J. Kaufman, David S. Clark, and Kevin P. Sheehan, eds., U.S. National Strategy for the 1990s (Baltimore: The Johns Hopkins University Press, 1991), 12.

[6] Ibid., 13.

At the end of the Cold War, the United States was left with a military strategy that had produced the 1980s military buildup driven by then President Reagan and had served as a guiding light until the collapse of the Warsaw Pact and the dissolution of the Soviet Union. This military strategy was a response to the Soviet threat and was less relevant in coping with the residue of the bi-polar world. Furthermore, the general diffusion of power in the international system from military capability towards economic might highlights the need for a general reappraisal of U.S. interests, objectives, and strategies.

A.   U.S. NATIONAL INTERESTS

The most basic and enduring statement of U.S. national interests is the preamble to the Constitution of the United States:

> We the People of the United States, in Order to form a more perfect Union, establish Justice, insure domestic Tranquility, provide for the common defence, promote the general Welfare, and secure the Blessings of Liberty to ourselves and our Prosterity, do ordain and establish this CONSTITUTION for the United States of America.[7]

This statement of the long term asperational goals of the United States has withstood the test of time. Remaining as true today as when it was written during the early years of the nation. The national interests articulated are:

- The survival of the United States as a free and independent nation;

- Protection of fundamental U.S. values, institutions, and people;

- National unity; and

- Domestic security, stability, and prosperity.

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[7] The Constitution of the United States.

While these interests have been articulated in different ways and priorities have changed between a domestic and international focus on the one hand and primarily military and economic on the other, they have endured.

The Constitution gives the President primary responsibility for executing U.S. foreign policy, yet the founding fathers believed that the Legislative Branch should be supreme in its formulation. Foreign policy was largely driven by Congress up until World War II. After that war, power shifted to the Executive Branch where it remained until the Vietnam War. The end of the war in Vietnam and the War Powers Act of 1975 cast doubts on Presidential control over foreign policy. Since that time, Congress has been slowly seeking to reclaim its traditional role by limiting Presidential power. President Reagan called this tendency detrimental. For the Congress to act

> in a directive manner with regard to details of foreign, defense, and arms control policy, [limits] the flexibility of the Executive Branch by enacting into law positions on which the President should be allowed reasonable discretion. This trend diminishes our ability to conduct rational and coherent policies on the world scene; reduces our leverage in critical negotiations; and impedes the integrated use of U.S. power to achieve important national security objectives. It causes others to view us as unreliable, and diminishes our influence generally.[8]

There has been a consistent theme from the Executive Branch that there must be participation by the Congress but there must also be Presidential leadership. The advantage of the Executive Branch being that regardless of the range of diverse opinion and the level of debate within the administration, the President speaks with authority

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[8] The White House, National Security Strategy of the United States, (Washington, D.C.: U.S. Government Printing Office, January 1988), 40-41.

once policy decisions are made. This post Vietnam trend towards greater Congressional involvement in foreign policy is acknowledged, but so is a related trend towards retaining the position of the President as the leader in defining the national interest and directing security strategies.

The President is required to issue a report on U.S. national security strategy in accordance with Section 603 of the Goldwater-Nichols Defense Department Reorganization Act of 1986. Beginning with the first report by President Reagan in January 1987, these reports have followed roughly annually through the Bush administration to the current strategy of "Engagement and Enlargement," issued in February 1995 by President Clinton.

These reports give a clear articulation of what the current administration perceives as the national interests, priorities, objectives, and strategy in support of those interests. U.S. national interests throughout this period can be summarized as:

- The survival of the United States as a free and independent nation;

- The protection of fundamental U.S. values, institutions, and people;

- Domestic prosperity; and

- The growth of freedom, democratic institutions, and free market economies throughout the world, linked by a fair and open international trading system.

A comparison of these contemporary national interests to those stated by the founding fathers shows remarkable consistency. The most obvious difference being that while the preamble to the Constitution, written shortly after the war for independence, concentrates on the preservation of independence, national unity, and domestic prosperity

and shows little concern for international affairs; contemporary U.S. national interests, while just as concerned with those enduring interests, looks outward with a strategy of "engagement and enlargement." This international flavor is expected due to the growing economic interdependence of nations as expressed in foreign trade and investment. These "new" interests are:

- Environmentally sound economic growth throughout the world; and

- Access to a fair and open international trading system.

In addition to these interests, a third set of "interests" has emerged. These have slowly risen in priority with the relative loss of the threat to the survival of the United States. Now incorporated into President Clinton's strategy of "enlargement," this third set includes:

- Enlarging the community of market democracies; and

- Promoting respect for human rights.

B.   "ENGAGEMENT AND ENLARGEMENT" AS CURRENT STRATEGY

According to President Clinton, the primary objectives of U.S. national security strategy and the national interests they support are:

- To enhance U.S. security by maintaining a strong defense capability and promoting cooperative security measures;
  - the survival of the United States as a free and independent nation;
  - the protection of fundamental U.S. values, institutions, and people;
  - cooperative security relationships with friends and allies; and
  - domestic prosperity.

- To promote prosperity at home by working to open foreign markets and spur global economic growth;
  - environmentally sound economic growth throughout the world; and
  - access to a fair and open international trading system.

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- To promote democracy abroad.[9]
  - enlarging the community of market democracies; and
  - promoting the respect for human rights and the environment.

This is a strategy of "engagement and enlargement" which draws upon the full range of political, military, and economic instruments.

The strategy of engagement is the security incarnation of U.S. foreign policy and corresponds to the first two objectives of security and prosperity while the strategy of enlargement applies to the third objective which has elements of human rights in addition to democratization. These objectives cannot be achieved without U.S. leadership.[10]

These three central objectives of current national security strategy--security, prosperity, and democracy--are not new; they are merely restatements of the overarching foreign policy objectives of "stability, democracy, and access."[11] President Bush called for "security, democracy, and trade" in the 1990s and his Secretary of State James Baker wrote that "the Pacific community needs to be founded on three pillars. First...framework for economic integration. Second...foster the trend towards

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[9] The White House, A National Security Strategy of Engagement and Enlargement, (Washington, D.C.: U.S. Government Printing Office, February 1995), 3-7.

[10] President Clinton writes that while "we are not the world's policeman,... as the world's premier economic and military power, and with the strength of our democratic values, the U.S. is indispensable to the forging of stable political relations and open trade. See Ibid., 7.

[11] Charles H. Stevenson, "U.S. Foreign Policy in Southeast Asia: Implications for Current Regional Issues," Contemporary Southeast Asia, 14, no. 2 (September 1992), 98.

democratization. Third...define a renewed defense structure...a prerequisite to maintaining stability."[12]

These three objectives have been the foundation of U.S. foreign policy since the mid-1980s but do they support the national interests? Traditional interests have evolved to include this third objective that the President now calls enlargement, a broad term defined to include democratization and human rights, but are these vital national interests?

Charles H. Stevenson writes that these three objectives form a conceptual circle, with each serving as both a means and an end:

> Democracy...conceives stability; stability...invites investment, trade, and inevitably prosperity; prosperity in turn strengthens democratic institutions. It is a circular model of complimentary means and ends which is ideal for public consumption but poorly suited to the exigencies of the international system.[13]

This same argument is put forward in support of the President's national security strategy in the East Asia Strategy Report of February 1995:

> United States interests in the region are mutually reinforcing: security is necessary for economic growth, security and growth make it more likely that human rights will be honored and democracy will emerge, and democratization makes international conflict less likely because democracies are unlikely to fight one another.[14]

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[12] Ibid., 98.

[13] Ibid., 98-9.

[14] Department of Defense, United States Security Strategy for the East Asia-Pacific Region, (Washington, D.C.: U.S. Government Printing Office, February 1995), 3.

The strategy of engagement and enlargement is a principled strategy of selective engagement. It is principled in that it is not only based on vital national interests but also on U.S. national values. It is selective by setting priorities and limits to action only in those areas where U.S. interests are engaged.

This strategy may be viewed as inconsistent by foreign governments because the U.S. may not always act in similar "moral" circumstances where higher priority interests are not threatened. This strategy is also more difficult to develop because in addition to defining national interests and priorities, there is an equally difficult task of defining national values and to prioritize these "moral" interests relative to traditional security and economic interests.

A principled strategy will often find itself in conflict. The United States, in fact, has shown little regard for democracy as an enduring national interest. When U.S. security and prosperity are threatened, the ideals embodied by enlargement always take second place. This was especially true during the Cold War, but is just as true today. Other examples of principles in conflict include:

- National self-determination versus the inviolability of internationally recognized borders;

- The right to refuge versus protection from excessive immigration; and

- The protection of human rights versus non-intervention in internal affairs.[15]

Thus, irrespective of official statements, Stevenson concludes that:

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[15] Patrick Clawson, ed., <u>Strategic Assessment 1995: U.S. Security Challenges in Transition,</u> (Washington, D.C.: U.S. Government Printing Office, 1995), 10.

democratization should not be considered by Southeast Asian leaders as a well constructed, reliable objective by which to predict U.S. behavior in the region. Stability, trade and investment access are likely to remain overarching objectives of the United States, similar to the ones which predominated during the cold war and before.

He goes on to say that:

> no small country can realistically expect the United States to come to its rescue if the situation does not immediately threaten its three perceived vital interests[stability, trade, and access].[16]

Therefore, the third objective of the Presidents strategy is not built upon the national interests. Instead, it is built upon national values. When these values are found not to be compatible with those of a friend, ally, or adversary, an intellectual argument will not be sufficient to alter their view. In that case, is the United States prepared to sacrifice other national interests such as security and prosperity to promote democracy or human rights? If not, what strategy should the United States pursue?

C. "ENGAGEMENT AND ENLARGEMENT" IN SOUTHEAST ASIA

President Clinton, in a 1993 speech before the Korean National Assembly in Seoul, expressed his desire for:

> a New Pacific Community built on shared strength, shared prosperity, and a shared commitment to democratic values.[17]

He went on to say that:

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[16] Stevenson, "U.S. Foreign Policy in Southeast Asia," 99-100.

[17] Clinton, Bill, "Speech delivered to the Korean National Assembly in Seoul, Korea, 10 July 1993," Weekly Compilation of Presidential Documents, vol. 19, no. 28 (19 July 1993), 1310-1314.

the United States intends to remain actively engaged in this region. America is, after all, a Pacific Nation.... We have fought three wars here in this century. We must not squander that investment. The best way for us to deter regional aggression, perpetuate the region's robust economic growth, and secure our own maritime and other interests is an active presence in the region. [18]

This vision of a New Pacific Community which links security requirements with economic realities and concern for democracy and human rights has developed into the regional Asia-Pacific strategy in support of engagement and enlargement. This strategy is based on the same three objectives of security, prosperity, and democracy.

1. Enhancing Our Security

The first objective of a new Pacific community, security, is met primarily through diplomacy. This may take on a broad range of political, economic, and military options. The United States must take a leadership position, but will work through existing alliance networks; at the same time, promoting the development of effective cooperative and multilateral solutions to regional disputes. While U.S. security commitments are currently grounded primarily in a network of bilateral relationships, the United States is committed to working within the indigenous multilateral arrangements being formed. These arrangements, such as the ASEAN Regional Forum (ARF), can enhance regional security through dialogue and transparency.

The United States must maintain a strong defense. The February 1995 National Military Strategy, issued with the latest national security strategy, provides the military

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[18] Ibid., 1310-1314.

options available to meet this objective and is based on the ability to fight two nearly simultaneous major regional conflicts.

> Our willingness and ability to play a leading role in defending common interests also help ensure that the United States will remain an influential voice in international affairs -- political, military, and economic -- that affect our well being, so long as we retain the military wherewithal to underwrite our commitments credibly.[19]

Integral to a strong defense, overseas presence includes forward deployment of forces and pre-positioning of war-fighting material during peacetime as well as regular deployments, multilateral military exercises, and other military-to-military contacts. Overseas presence provides the following benefits:

- Gives form and substance to bilateral and multilateral security commitments;

- Demonstrates determination to defend U.S. and allied interests in critical regions;

- Provides forward elements for rapid response in crises as well as the bases, ports and other infrastructure essential for deployment of U.S.-based forces by air, sea, and land;

- Enhances the effectiveness of coalition operations by enhancing interoperability;

- Allows the United States to use its position of trust to prevent the development of power vacuums and dangerous arms races, thereby underwriting regional stability by precluding threats to regional security;

- Facilitates regional integration; and

- Promotes an international security environment of trust, cooperation, peace, and stability, which is fundamental to the vitality of developing democracies

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[19] The White House, A National Security Strategy of Engagement and Enlargement, (February 1995), 8.

and free market economies.[20]

Another key element of U.S. commitment to the region is the long term priority of the United States in preventing the proliferation of weapons of mass destruction, including terror weapons such as chemical and biological weapons, and their delivery systems. This is of great concern to the Asia-Pacific region as a whole and has culminated in the October 1994 framework agreement with North Korea for stopping, and eventually eliminating its nuclear weapons program. Southeast Asia has been spared the deleterious political, military, and economic effects of both proliferation and non-proliferation efforts. There is no reason to believe this will change in the near term.

Arms control can help promote regional stability by reducing the danger of the security dilemma and establishing a transparent and verifiable regional balance of power. This objective is pertinent to Southeast Asia, a region of sustained peacetime military buildup while most of the world is reducing military expenditures.

2.   Promoting Prosperity at Home

In an interdependent world, domestic prosperity requires engagement abroad. Nowhere is this more important then in the Asia-Pacific region which now accounts for a larger proportion of U.S. trade than Europe.

> Today, the 18 member states of APEC [the Asia Pacific Economic Cooperation] -- comprising about one-third of the world's population -- produce $14 trillion and export $1.7 trillion of goods annually, about one-half of the world's totals. U.S. exports to APEC economies reached $300 billion last year, supporting nearly 2.6 million American jobs. U.S. investments in the region totaled over $140 million -- about one-third of

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[20] Ibid., 9-10.

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total U.S. direct foreign investment. A prosperous and open Asia Pacific is key to the economic health of the United States.[21]

While the U.S. is not abandoning its commitment to Europe, this means that U.S. interests in Asia will require more attention in the future.

The President's strategy places emphasis on enhancing bilateral relationships such as the relationship with Japan while engaging the new multilateral initiatives in the Asia-Pacific, such as the Asia-Pacific Economic Cooperation (APEC), and ensuring commitment to fulfilling the agreements included within the Uruguay round of the General Agreements on Tariffs and Trade (GATT) concluded in December 1993.

3. Promoting Democracy

Drawing strength from the rapid growth of nations during the past decade, the President put forward a strategy of enlargement which is based on two elements. The first element of this strategy is

> to work with the other democracies of the world and to improve our cooperation with them on security and economic issues.... We must be willing to take immediate public positions to help staunch democratic reversals.... We must give democratic nations the fullest benefits of integration into foreign markets.... And we must help these nations strengthen the pillars of civil society.[22]

The second element is to guarantee basic human rights throughout the world. The U.S. will continue to pursue human rights on a bilateral basis while promoting international initiatives through the United Nations.

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[21] Ibid., 29.

[22] Ibid., 23.

The current national security strategy defines democracy and human rights as "universal yearnings and universal norms"[23] and has promoted these to the level of national interests. "Enlargement" is more than a strategy of passive support. It is a strategy that desires to enlarge the community of market democracies and to consolidate and expand democratic reforms. These two elements, however, are an expression of U.S. national values. As values, they should not be confused with the national interests. While the United States is right to promote them abroad, it should be willing to accept whatever form of government and/or value system a nation chooses for itself and not demand a U.S. style liberal democracy as the only solution or to accept the U.S. focus on individual freedoms as the framework for defining human rights.

The strategy of "enlargement" and the values underlying it, are strongly objected to, almost uniformly, in Southeast Asia. This objection is especially strong whenever there are attempts to link "good governance" to relations with the United States, especially economic relations. U.S. pressure will, in all likelihood, increase the resistance of local governments and in the long run reduce the influence the United States has in the region. This could also push Southeast Asia into closer ties with the emerging powers of India and China or towards Japan.

Ultimately, the observance of democracy and human rights will succeed of fail due to the results of local solutions and domestic support and not through outside pressure. U.S. economic assistance to these developing countries and regional security

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[23] Ibid., 29.

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assistance through a strong U.S. commitment and regional presence will help provide the fertile ground, a strong middle class, for indigenous democratic reforms and human rights initiatives.

III. CONFLICTS OF INTEREST IN SOUTHEAST ASIA: INTERNAL

In the years following World War II, Southeast Asia was a region of nascent states emerging from their colonial past. For most of the Cold War, they concentrated on the process of nation-building and struggled with internal problems and threats to legitimacy. These threats have largely been overcome but the racial, ethnic, and religious diversity that caused them is still present. These countries also have been concentrating on economic development and striving to raise the standard of living of their people.

This chapter turns to the application of interests and strategies as currently stated to those unresolved conflicts in Southeast Asia. With internal stability and relative prosperity achieved during the very recent past, the states that makeup Southeast Asia have begun to reopen many territorial and sovereignty disputes that have been set aside for many years. While none of these threaten to develop into armed conflict, they may spoil otherwise good relations. These conflicts have been divided into five broad areas: ethnic, religious, and ideological conflicts; territorial disputes; legacies of the Cold War; maritime boundary and sovereignty disputes; and the economic issues of trade, markets, and investment. These conflicts introduce a degree of uncertainty into an already volatile region. The implications of a regional arms buildup in Southeast Asia will also be discussed.

A. ENDURING ETHNIC, RELIGIOUS, AND IDEOLOGICAL CONFLICTS

In Southeast Asia there is a strong norm towards non-interference in the internal affairs of states. This norm has been formalized in the Treaty of Amity and Cooperation and has been repeated in many other forums. Ethnic, religious, and ideological disputes are primarily an internal concern of a state and its people. In the context of Southeast Asia, where national and religious lines cross state boundaries, there is always the danger of these internal disputes developing an international dimension. These transnational disputes include the external support of insurgencies or the flow of political and economic refugees to neighboring states in response to internal strife. Furthermore, rapid economic development has expanded environmental problems to this region and the AIDs epidemic threatens its future economic prosperity. Attention will be directed to the following conflicts:

- Communist and Muslim Insurgents in the Philippines;

- The strong separatist movement in Sabah;

- Malaysian Internal Security;

- Muslim separatists in southern Thailand;

- The Shan, Kachin, and Karen secessionist, communist insurgent, and pro-democracy rebellions in Burma;

- The continuing resistance to Indonesian rule in East Timor;

- The Organisasi Papua Merdeka (OPM) resistance movement in West Irian/Irian Jaya; and

- The Aceh independence movement in northern Sumatra.

The Philippines of all the ASEAN members has the most serious problem with continuing challenges to the government from the communists in the north to Muslim extremists in the south. There are four main insurgent organizations in the Philippines: the NPA and the communist National Democratic Front (NDF); and two Muslim organizations the Moro National Liberation Front (MNLF) and the breakaway Muslim Islamic Liberation Front (MILF), centered on the southern island of Mindanao. The Philippine government has been negotiating with both the NDF and the MNLF but negotiations have been threatened by factionalism in both cases. Further complicating this issue is the implication of Malaysia in the Moro struggle in Mindanao to include supplying the Muslim rebels with military supplies and providing sanctuary for the Moro fighters in the neighboring Malaysian state of Sabah. The Malaysian government has never publicly admitted its involvement in the Moro Struggle; however, Samad and Bakar argue that Malaysian assistance "gave the essential incentive to the Moro separatists."[24] This support from Sabah and other Malaysian Muslim sectors has allowed the Moros to expand their fight for equality and justice into a war of liberation, demanding self-determination.

This Malaysian involvement in the conflict in Mindanao not only increases the tension between the two states, but is a source of internal conflict in Malaysia as well. In the neighboring state of Sabah, the predominantly non-Muslim Kadazans fear that the

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[24] Paridah Abd. Samad and Darusalam Abu Bakar, "Malaysia-Philippines Relations: The Issue of Sabah," Asian Survey 32, no. 6 (June 1992), 560.

influx of Moros will jeopardize their political and cultural status. They believe the tolerance shown to the Moros by the Malaysian central government to be part of a policy aimed at restructuring the communal balance in Malaysia.[25]

In Malaysia, the challenge is from the north Borneo state of Sabah. Since Sabah's incorporation into the Federation of Malaysia in 1963, there has been a continuing shift of power from the state to the central government in Kuala Lumpur. The increasingly alienated population of Sabah, resentful of this shift, has become more active in their political opposition.

Since the 1990 federal election, there has been near open warfare between Malaysia's prime minister and the state government of Sabah, which, with its predominately non-Malay constituency, had run on a platform promising to re-negotiate federal-state relations, with the aim of restoring those attributes of self-government lost to Kuala Lumpur, thereby gaining greater administrative and economic autonomy for the state.[26] The 1995 federal election, while giving the ruling National Front coalition and Prime Minister Mahathir personally the strongest mandate that they have had since independence, did not fundamentally alter this opposition in Sabah.

The Sabah government desires control over the flow of immigrants into the state, particularly those from the southern Philippine island of Mindanao, who now number up

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[25] Ibid., 559.

[26] Kahin, Audrey R., "Crisis on the Periphery: The Rift between Kuala Lumpur and Sabah," Pacific Affairs 65, no. 1 (Spring 1992), 30.

to half a million, out of a total Sabah population of about a million and a half. These, predominately Muslim, immigrants threaten to upset the traditional racial mix of Sabah and the federal policy of naturalizing these immigrants also threatens to produce a Malay-Muslim political dominance. Other demands include wider opportunity for the local population in government and the civil service, a greater say and share in the resource wealth extracted from Sabah, local control of the media, education, and a review of the constitutional safeguards granted Sabah on its entry into the federation as embodied in what are known as the "20 points." These 20 points, which outline the special rights of the people of Sabah, were never incorporated in or protected by the constitution and have been eroded by the central government over the last thirty years.[27]

The central government's uncompromising position on Sabah only hardens the resolve of those in Sabah who push for a re-evaluation of state-federal relations and the extremists who go further to push for succession. While it would be difficult for the federal government to give in to these demands, a more compromising position such as open dialogue on the less difficult concerns is needed. This could include dialogue on immigration policy and further autonomy over local affairs.

While a difficult internal problem for Malaysia, the flow of refugees and illegal immigrants from the Philippines to the state of Sabah is an irritant in an already difficult bilateral relationship.

> The movement of Filipino refugees to Sabah began just after the declaration of martial law in the Philippines and the outbreak of the

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[27] Ibid., 34.

secessionist movement spearheaded by the Moro National Liberation Front. The migration reached its peak at the height of the secessionist problem in 1974-75. Immediately following the signing of the Tripoli Agreement between the Philippine government and the MNLF in 1976, Muslim entry to Sabah decreased relatively. However, another wave of Filipino immigrants arrived in Sabah in 1980, largely in search of trading and job opportunities as a result of the declining economic performance in the Philippines.[28]

In addition to this separatist movement in Sabah, Malaysia has two other internal security concerns, which are presently contained but could erupt in the future. The first, the Communist Party of Malaysia (CPM), which threatened the central government for the first two decades of independence, has lost much of its power and influence. This is due to emergency government measures taken in the 1960s and 70s as well as current economic prosperity. It has also been assisted by the general collapse of worldwide communist movements, discredited by the demise of the Soviet Union. A second issue is the delicate racial and religious balance between the indigenous Malay-Muslim majority and the Chinese and Indian minority. This balancing act has been going on since the formation of Malaysia and was responsible for the original inclusion of the predominately non-Chinese Borneo states to balance the inclusion of predominately Chinese Singapore and subsequent expulsion of Singapore. It has also expressed itself in riot following the 1969 elections which resulted in three years of military rule. Since independence, there has been a slow but steady consolidation of constitutional and institutional power by the Malay majority but the problem remains and could erupt again.

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[28] Samad and Bakar, "Malaysia-Philippines Relations," 563.

In Thailand, Muslim separatists have been largely neutralized by greater security cooperation between the governments of Malaysia and Thailand. This movement was primarily a result of the racial and religious differences between the Muslim population near the Malaysian border and the rest of Thailand. Thai government sensitivity to their unique position has resolved many of their demands.

Indonesia continues to experience resistance to Indonesian rule in East Timor, Organisasi Papua Merdeka (OPM) resistance in West Irian/Irian Jaya, and the Aceh independence movement in northern Sumatra. These resistance groups, however, offer little threat to the central government due to their remote locations.

Probably the most serious challenge to the state that exists in Southeast Asia, other than in Cambodia, is taking place in Burma. This challenge comes from Shan, Kachin, and Karen secessionist; communist insurgent; and pro-democracy rebellions. The highly fragmented nature of Burma's ethnic composition makes it difficult for the central government to achieve control over the outlying regions, especially in the northeast near the Chinese-Thai border. This same fragmentation, however, also prevents these various insurgent groups from coming together to challenge the central government and an uneasy stalemate is achieved. This situation is unstable and will not easily be resolved but primarily poses a land based threat to Thailand due to drug trafficking, the flow of refugees, and border incursions

B. TERRITORIAL DISPUTES

Within Southeast Asia, there are historical boundary disputes that are a legacy of colonialism such as between Indonesia and Malaysia or the Philippines and Malaysia over the status of Sabah, and there are contemporary disputes over claims resulting from the evolution of the law of the sea and its affect on the jurisdiction of coastal states. This section discusses those land based disputes dating to colonial division while maritime issues will be discussed later in this chapter. The more aggravating territorial disputes include those which follow:

- The continuing claim of the Philippines to the Malaysian state of Sabah and its adjacent waters;

- Border dispute between Malaysia and Thailand;

- Border conflicts between Burma and Thailand;

- Border disputes between China and Vietnam; and

- Border disputes between Cambodia and Vietnam.

Once considered the most dangerous bilateral dispute within ASEAN, the Philippine claim to the Malaysian state of Sabah, while not resolved, has been set aside in recent years. The northern Borneo state of Sabah, a legacy of British colonialism, was incorporated into the Federation of Malaysia at its formation on 16 September 1963. The official Philippine claim over Sabah goes back as far to the administration of President Diosdado Macapagal who initiated the claim in June 1962 just prior to its incorporation.

> [This] claim was relegated to the sidelines when it became entangled within the wider context of the Republic of Indonesia's 'confrontation'

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with Malaysia and the Sukarno regime's threats to resort to military means to crush the fledgling nation.[29]

A bilateral attempt to resolve this issue was made in Bangkok following the confrontation but was unsuccessful. The Philippine government refused to recognize the new Federation of Malaysia until President Ferdinand Marcos took power in 1966. After the formation of ASEAN in 1967, there was a tacit agreement to shelve the issue in the interest of greater regional solidarity. This resulted in a softening of tensions but there was no resolution and a deterioration of bilateral ties led to a rupture of relations in 1969.

> The Philippine's institutionalization of the claim through enactment of Republic Act 5546 incorporating Sabah as part of the territory of the Philippines triggered Malaysian suspension of diplomatic ties.[30]

Relations were again restored on 16 December 1969 during ASEAN's third ministerial conference.

While Malaysia and the Philippines had originally agreed to resolve this dispute within the context of ASEAN, the conflict was never tabled because of the fear that such a potentially derisive issue could be damaging to the developing regional body and the issue has remained bilateral.

Prior to the 1976 ASEAN summit meeting, President Marcos made a dramatic move toward normalization of bilateral relations. He stated that "the Philippines no longer intended to press its claim to sovereignty over Sabah."[31] This statement was not

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[29] Ibid., 553.

[30] Ibid., 557.

[31] Ibid., 558.

followed by any action and the dispute was passed to the Aquino administration where an unsuccessful attempt was made to amend Republic Act 5546 and 3046 to exclude Sabah from Philippine territory; this denied Mrs. Aquino a diplomatic victory at the ASEAN summit in December 1987. This dispute has remained unresolved, but relations have improved in recent years to include a high level visit to the Philippines by Malaysian Prime Minister Mahathir in February 1994.

This pattern of conflict resolution, concentrating on bilateral resolution while using the larger regional organization as diplomatic sounding board, will be seen to be the model of Southeast Asian relations since the end of World War II and has not substantively changed with the end of the Cold War and the expansion of multilateral initiatives for conflict resolution.

Thailand has long standing border disputes with her regional neighbors dating back to the colonial era. While never a colony, the Thai diplomatic ability to play one colonial off another may have insured a degree of freedom of action but resulted in a loss of territory to what later became Burma, Cambodia, Laos, and Malaysia. These contested territories were returned to Thailand by treaty with the Japanese in 1942, but by revoking this treaty following the Japanese surrender in 1945, Thailand again lost these territories to her neighbors. This planted the seeds of future conflict and border disputes that continue today. This context is not helped by a long term problem of the Thai central government in Bangkok not having positive control over the military and civil

authorities in the outlying provinces where local authorities on both sides of the border are not fully responsive to central control.

The border dispute between Thailand and Cambodia has recently taken a step forward with the formation of the Cambodian-Thai Border Coordination Office. This office, in contrast with the previous border committee, will have the authority to make decisions without prior government approval. This formation parallels the creation of a joint border committee in 1989 to discuss problems along the Burmese-Thai border.

Thailand and Malaysia signed a memorandum of understanding (MOU) on 21 July 1977 that laid down the boundary between the two countries. As recently as 15 February 1993, a border incident reopened this dispute, with the Thai government claiming to have never endorsed the MOU.[32]

Vietnam has unresolved border disputes with Cambodia and China and negotiations have begun with China over their 1000 mile undemarcated land border.

C. THE END OF THE COLD WAR

In spite of the end of the Cold War, very serious conflicts still remain in Southeast Asia. These include:

- Residual conflict in Cambodia;

- Accounting for U.S. MIAs in Vietnam;

- Continued fighting between government and resistance forces in Laos;

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[32] "Dispute Over 1977 Malaysia-Thailand Boundary Pact," Asian Defence Journal (April 1993), 85.

- Residual communist guerrilla operations along the Thai-Lao border in northeast Thailand; and

- The Regional Shift from a Continental Towards a Maritime Focus.

With the end of the Cold War, Indochina, which has been embroiled in conflict almost continuously since World War II, is finding peace. On 23 October 1991, the Paris International Conference on Cambodia adopted the Agreements on a Comprehensive Political Settlement of the Cambodian Conflict. These agreements were designed to bring peace to a region that had not known peace in decades. The United Nations Transitional Authority in Cambodia (UNTAC) was created and would become the largest and most expensive UN peacekeeping effort to date.

Cambodia had been under the brutal Khmer Rouge regime from 1975-78 until Vietnamese intervention following atrocities in which millions of Cambodians were killed. The Vietnamese sponsored government that resulted was then replaced by a provisional government as part of the UN brokered peace between competing factions in Cambodia including the Khmer Rouge until popular elections could be held.

UNTAC was a qualified success in that elections were held with an estimated 85 percent turnout in spite of Khmer Rouge threats of interference. UNTAC, however, took almost a year to deploy which delayed these elections and was not successful in disarming the various factions, particularly the Khmer Rouge which continue to challenge the government today. Since the elections, the Parliament has outlawed the Khmer Rouge; but, it is estimated that they still control about 10 percent of Cambodia

with about 9000 men.[33] This continued Khmer Rouge resistance and allegations of Thai support along the border has continued to sour Thai-Cambodian relations.

Vietnam, extracting itself from the third Indochina conflict, has withdrawn all troops from Cambodia in response to this UN brokered peace. While still devoutly socialist, Vietnam has been dramatically moving towards greater popular participation in government and towards a market economy consistent with her regional neighbors.

During the third Indochina conflict, the ASEAN member states were aligned against Vietnam. Today, devastated by years of war and the loss of aid and assistance from her former superpower patron, the Soviet Union, Vietnam sees her future in the regional family of Southeast Asia. Vietnam has since signed the Treaty of Amity and Cooperation and been given observer status as a first step towards full membership in ASEAN which may occur later this year.

U.S. relations with Vietnam continue to improve with the lifting of the U.S. trade embargo in February 1994 and establishing a U.S. liaison office as the first step towards full diplomatic relations in early 1995. The future of the U.S.-Vietnamese relationship, however, is still tied to the continuing legacy of the Vietnam War with some in Congress pushing to link diplomatic and economic relations with a full accounting of all U.S. MIAs.

Laos, a small, poor, landlocked country, still maintains a "special relationship" with its socialist neighbor, Vietnam, with whom it is bound by a 25 year treaty of mutual

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[33] Zain Amri, "The Cambodian Saga Continues," <u>Asian Defence Journal</u> (August 1994), 29.

security.[34] The Lao government has been fighting insurgent groups, primarily from the Hmong highland minority, ever since coming to power in 1975. These groups, however, have never posed a threat to the central government. Vientiane's suspicions of external support for these guerrillas by the Thai government or at least elements of the Thai army, continue to strain Thai-Lao relations. "Thailand has clamped down on the use of its territory for sanctuary by resistance elements fighting the LPDR [Lao People's Democratic Republic], one of two outstanding issues that had for years impeded the improvement of relations between the two governments (the other being that of territorial claims that have still not been completely settled)."[35]

The last decade has seen two fundamental shifts in Southeast Asian security. The first is a shift away from counter-insurgency to conventional warfighting. This is a shift from an internal to an external threat focus and has been brought about by the end of the Cold War and relative victory over insurgencies within the ASEAN states. Exceptions to this are the Philippines, which is still fighting communist insurgents and Muslim rebels, and the Indonesian conflict in East Timor. The second shift has been from a land based to a maritime threat. This shift has been driven by a recognition throughout Southeast Asia of the role of coastal states and by expanded maritime interests.

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[34] Arther J. Dommen, "Laos in 1994: Among Generals, Among Friends," Asian Survey 35, no. 1 (January 1995), 89.

[35] Ibid., 91-2.

In general, the division of maritime states into naval powers and coastal states has been based on a maritime capability for power projection. Power projection is the ability to conduct offensive operations from the sea at great distance from a nations home waters. This capability can be provocative by its very nature because it can support offensive operations. The maritime capabilities traditionally associated with power projection are aircraft carriers, amphibious assault ships, long range logistical support ships, and nuclear powered submarines. These ships provide air defense, anti-submarine warfare, and logistical support to get a force in theater; and air superiority, anti-surface warfare, anti-submarine warfare, amphibious assault, and logistical support for offensive operations.

Helicopter or VSTOL carriers and conventional submarines are more difficult to characterize. These carriers by themselves have not been able to provide air superiority against a modern land based threat but could be provocative as a compliment to other forces or against a less capable land-based threat. Conventional submarines are also a threat in a regional context where speed, range, and staying power are not critical.

The capability to defend against an attack from the sea, the mission of coastal defense, is the most common justification for a maritime force and is characterized by smaller ships of limited range and shore based rather than sea based aircraft. The size and makeup of a coastal defense navy depends on the capabilities of potential enemies,

susceptibility of coastal installations (such as ports and naval bases) to attack, and a nation's financial resources.[36]

With the Third UN Convention on the Law of the Sea (UNCLOS III), which went into force in November 1994, the average coastal state has found its jurisdiction over the sea adjacent to its coast greatly expanded. With a 12 nautical mile territorial sea and an exclusive economic zone (EEZ) out to 200 nautical miles, many coastal states find that they are unable to adequately control these waters. According to Desmond Ball, this new maritime regime "has generated requirements for surveillance and power-projection capabilities over resource-rich areas which, for many states in the region, are greater than their land areas."[37] Those with sufficient economic resources have been expanding their maritime forces in response to this gap in capability.

With the increasing jurisdiction of coastal states over their adjacent waters, in addition to the traditional role of coastal defense, another role, that of constabulary missions, has been added. Constabulary forces are used to police these new maritime regions against piracy, smuggling, and drug trafficking; to protect marine fishery and maritime mineral resources; and to provide for safety of navigation and rescue operations. These forces may consist of long range, land based surveillance aircraft and small, fast, lightly armed coastal patrol boats used to interdict those engaged in illegal

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[36] Joseph R. Morgan, "Porpoises Among the Whales: Small Navies in Asia and the Pacific," (East-West Center Special Reports, no. 2, March 1994), 7.

[37] Desmond Ball, "Arms and Affluence: Military Acquisitions in the Asia-Pacific Region," International Security 18, no. 3 (Winter 1993/94), 90.

activity or to respond to emergencies. These forces may be backed up by larger coastal defense ships such as frigates, corvettes, or fast attack craft.

In addition, Southeast Asia is a maritime region strategically located at the nexus of Pacific trade. To the south and west, the Straits of Malacca, the Sunda Strait, and the Lumbok Strait provide the main passage between the Indian and the Pacific Oceans, to the north, through the disputed South China Sea, lies the mainland of East and Southeast Asia, Japan and Russia, and to the northeast lies the Philippines and the Surigao and the San Bernadino Straits. These maritime trade routes carry twenty-five percent of the world's shipping through a region that relies almost exclusively on shipping for interstate trade.

The Straits of Malacca, part of the territorial waters of Indonesia and Malaysia, and the Sunda and Lumbok Straits, which fall within the archipelagic waters of Indonesia, are considered international straits by current international law; but this does not make them immune to tests of sovereignty by those nations which border them. In 1988, Indonesia closed shipping lanes through the Sunda and Lumbok Straits.[38] This action, contrary to the 1982 Law of the Sea Convention which it had ratified, was justified by arguing that these straits were part of their archipelagic waters and not international straits.

> As the sovereignty and sovereign rights of littoral states have grown over the past several decades, ocean regions formerly considered

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[38] Bergin, Anthony, "New Developments in the Law of the Sea," in Hugh Smith and Anthony Bergin, eds., Naval Power in the Pacific: Toward the Year 2000, (Boulder: Lynne Kienner, 1993), 73.

the 'high seas' have been eliminated.... Piratic activity which physically occurred on what was once the 'high seas' and thus, according to customary and conventional international law would have been within the jurisdiction of any powerful state to repress, now falls within the enforcement jurisdiction of various littoral states, which may not have the requisite economic or technical resources to deal effectively with the problem.[39]

D.   MARITIME BOUNDARY DISPUTES

Since the adoption of the 1982 Convention on the Law of the Sea, disputes over

maritime boundaries have sharpened. These include:

- The competing claims of Indonesia and Malaysia to the islands of Sipadan, Sebatik, and Ligitan, in the Celebes Sea, some 35 km from Semporna in Sabah;

- The dispute between Malaysia and Singapore over ownership of the island of Pulau Batu Putih (Pedra Branca), some 55 km east of Singapore in the Straits of Johor;

- The dispute between Malaysia and Brunei over Limbang;

- Boundary dispute between Indonesia and Vietnam on their demarcation line on the continental shelf in the South China Sea, near Natuna Island;

- Boundary dispute between Malaysia and Vietnam on their off-shore demarcation line;

- Boundary dispute between China and Vietnam on their demarcation line on the continental shelf in the Tonkin Gulf;

- Competing claims to the Paracel Island (Xisha Quandao or Quan Doa Hoang Sa) in the South China Sea, contested by China and Vietnam; and

- Competing claims to the Spratly Islands in the South China Sea, contested by Brunei, China, Malaysia, the Philippines, Taiwan, and Vietnam.

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[39] David L. Scott, "Piracy, terrorism, and Crime at Sea," (Paper presented to A Colloquium: Maritime Security and Conflict Resolution, Halifax, Nova Scotia, Canada, June 1993), 3.

The formal disagreement between Malaysia and the Indonesia dates back to 1967 when the two first began technical discussions over their maritime boundaries. Their mutual boundary is an area that has not historically been well delineated and has been complicated by

> the presence of a myriad of islands, islets, and reefs in the Sabah-Sulu maritime zone where maritime boundaries have not been strictly administered in the past. The colonial treaties also clash with the provision of the most recent 1982 Convention of the Law of the Sea.[40]

While recent surveys of the disputed region have been accepted by both parties, their main dispute centers around their overlapping claims over the Ligitan and Sipadan Islands which lie offshore, between the eastern Indonesian province of Kalimantan and the Malaysian state of Sabah. Both have agreed to settle their dispute through bilateral negotiations but acknowledge the possibility of third party arbitration. While Indonesia desires the regional forum of the ASEAN High Council, Malaysia desires arbitration by the International Court of Justice.

A small island, little more than a rock, called Pedra Branca by Singapore and Pulau Batu Putih by Malaysia and situated some 55 miles northeast of Singapore in the Straits of Johor is the focus of a dispute by the two states. Administered by Singapore for over 150 years, the island houses the Horsburgh lighthouse and a radar station. Both counties have agreed in principle to a diplomatic settlement, but the negotiations have dragged on for the past 10 years. In spite of loud posturing by both sides, the economic

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[40] Samad and Bakar, "Malaysia-Philippines Relations," 560-61.

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future of the southern Malaysian state of Johor and Singapore are increasingly entwined and this dispute will eventually end, returning the two countries to a pragmatic if not problem-free state.[41]

Other disputes in the region include the dispute between Malaysia and Brunei over the island of Limbang, the Chinese and Vietnamese offshore demarcation, and overlapping claims in the Gulf of Thailand. Malaysia and Brunei have agreed to find a bilateral solution to their dispute over the territory of Limbang and following Malaysian Prime Minister Mahathir's visit to Brunei in 1993, the dispute, while not resolved has been set aside.

Vietnam has disputed claims over their mutual off-shore demarcation lines with Indonesia, Malaysia, and China. With Indonesia, the dispute is over the demarcation line on the continental shelf near Natuna Island and with China, similar disputes in the Tonkin and Beibu Gulfs. In August 1993 Vietnam and China began negotiations aimed at sorting out their oil rights in the Tonkin Gulf and territorial claims in the South China Sea.[42] In the Gulf of Thailand, Vietnam, along with Cambodia, Malaysia, Singapore, and Thailand, each claim a 200 nautical mile EEZ. These claims overlap and have yet to be resolved.

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[41] N. Balakrishnan, "Tangled Ties: Island Issue Looms Large in Malaysia-Singapore Row," Far Eastern Economic Review 115, no. 26 (2 July 1992), 21.

[42] "Vietnam: Time For Charm," The Economist 328, no. 7826 (28 August 1993), 33.

With the expanded rights of coastal states as a result of UNCLOS III, the South China Sea is considered a semi-enclosed sea, often referred to as a geographical lake. It is bordered by Vietnam, Malaysia, Brunei, and the Philippines with China and Taiwan to the north. Not only do all these nations have conflicting historical claims to this area, but there are numerous regional disputes resulting from overlapping EEZs.

The South China Sea consists of about a quarter of a million square miles containing within its boundaries two main island groups, the Paracel and Spratly Islands. The Paracel Islands, located southeast of the Gulf of Tonkin, are disputed by Vietnam and China. The Spratlys, which consist of approximately 100 islands, coral reefs, shoals, atolls, and sandpits, are located 230 miles east of Vietnam and over 600 miles south of China's Hainan Island.[43]

The South China Sea is strategically situated on one of the busiest maritime trade routes in the world, through which twenty-five percent of the world's shipping passes,[44] including vital oil supplies for the rapidly growing economies of Northeast Asia and China, which is estimated to become a net oil importer in 1995. As important to the claimants, however, are the actual and potential resources that lie beneath the South China Sea.

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[43] Marko Milivojevic, "The Spratly and Paracel Islands Conflict," Survival 31, no. 1 (January/February 1989), 70.

[44] Michael G. Gallagher, "China's Illusory Threat to the South China Sea," International Security 19, no. 1 (Summer 1994), 171.

The area is a rich fishery, providing a harvest of 2.5 million tons in 1980, but oil is fueling the current drive to exert sovereignty over these islands. A December 1989 Chinese report has claimed that the sea floor around the Spratly Islands may contain from 1 billion to 105 billion barrels of oil.[45] Little exploration has been done to settle this claim and claimants appear to be positioning themselves in any case.

Non-claimant states are interested in the outcome of these claims because of the dangers to international navigation and the effect on regional peace and security. These non-claimants include Indonesia within the region and the external powers of Australia, Japan, and the United States. Australia, which is dependent on trade through the disputed region claims a unique position from which to influence the dispute. Being closely tied to the region, but not to any specific country and having no claims to the South China Sea, Australia is seen as having "neither a partisan nor a hegemonic agenda" in the dispute and has the opportunity to reinforce its standing within the region.[46]

Prior to 1974, the Eastern Paracels were occupied by China and the Western Paracels by Vietnam. In 1974, taking advantage of the weakness of the South Vietnamese government, China seized the Western Paracels and made an unsuccessful attempt to seize the Spratly Islands.[47] While this action was criticized at the time by the

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[45] Ibid., 171.

[46] Jon Sparks, "The Spratly Islands Dispute: The Possible Outcomes and Their Effects on Australia's Interest," Asian Defence Journal (March 1995), 22.

[47] Milivojevic, "The Spratly and Paracel Islands Conflict," 70.

North Vietnamese, it was not until 14 March 1988 that a military confrontation between the two powers occurred.

Only Vietnam and China of the five claimants insist on their right of sovereignty over the entire archipelago. The remaining claimants have limited claims. The Philippines, which refers to the islands as the Kalayaan (Freedom) Islands, claims some 60 islets as well as additional claims to the continental shelf territorial waters of the eastern Paracel Islands. Malaysia claims three islands and four groups of rocks, while Brunei only claims Louisa Reef. China, in an attempt to institutionalize her claims, upset those claimants in Southeast Asia when the

> National People's Congress (NPC) in February 1992 adopted a 'Law of the People's Republic of China on the Territorial Sea and the Contiguous Zone,' laying down China's exclusive claim over the entire Spratly archipelago and authorizing the Chinese navy to evict 'trespassers' by force.[48]

This action and the limited use of force as occurred in 1988, are in stark contrast with the official preference of all claimants for a negotiated solution. In the interim, all claimants continue to emphasize their right to their current possessions and to strengthen their military patrols.[49] "Since 1983," according to Jon Sparks, "with the exception of Brunei, each of these nations has maintained garrisons in the Spratly Islands. Currently, the Spratly Islands support 42 scientific or military outposts."[50]

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[48] Jie Chen, "China's Spratly Policy: With Special Reference to the Philippines and Malaysia," Asian Survey 34, no. 10 (October 1994), 898.

[49] Samad and Bakar, "Malaysia-Philippines Relations," 561.

[50] Sparks, "The Spratly Islands Dispute," 18.

The smaller states have used ASEAN as a means to internationalize the Spratly issue and to gain more leverage against China. They have also tried to elicit support from the United States and Japan by establishing closer ties; but the United States, while urging a peaceful resolution, has been careful to remain neutral. To counter this effort, China has tried to keep negotiations bilateral and has suggested co-development, temporarily setting the issue of sovereignty aside.

The South China Sea is becoming synonymous with dreams of wealth and power. In spite of expressed intentions for a negotiated solution, as exploration and development continue and resources are proven, and as the claimants themselves develop and their need for these resources increase, particularly gas and oil, these claims will harden. Currently all negotiations have been bilateral, but this may increase the danger of conflict as nations form blocs and take sides. There is also the issue of the "haves verses the have nots." Those regional states without claims to the resources of the South China Sea fear being left behind and desire a solution that develops the disputed area as "the heritage of the region as a whole."

E. TRADE, MARKETS, AND INVESTMENT

Since independence, the countries of Southeast Asia have focused on export-oriented development. Beginning primarily with economies dominated by agriculture and resource extraction, these countries have made significant progress in the shift towards manufacturing and in the case of Singapore, the financial service industry. In making this shift, there has been competition for Foreign Direct Investment (FDI) to

finance industrialization and for export markets to sell the products of this industrialization. Since intra-regional trade has been small and even today accounts to only 20 percent of all trade in the region, these markets have been outside the region; primarily with Japan, the United States, and the European Union (EU).

While this has always been a source of potential conflict, recent trends have exacerbated this competition. The first trend is towards regional trading blocs. The growth of NAFTA and the expansion of the EU, while not increasing external barriers, do generate internal preferences that result in an increase in intra-regional trade at the expense of non-members. Second, with the end of the Cold War has come the emergence of the Asian "market-socialist" economies of China and Vietnam. Both of these trends result in further competition for markets and investment capital. A third development is the increasing economic mobility of the Multinational Corporation (MNC) and jobs. The low cost and ease of shipping has allowed the MNC to quickly relocate factories to follow the comparative advantage in wages and terms.

F.   THE SOUTHEAST ASIAN ARMS BUILDUP: A NEW PHENOMENON

This region is experiencing an arms buildup and modernization that some have characterized as an arms race. This arms buildup consists of a shift from low technology, ground based forces to high technology, naval forces. Why is this arms buildup and modernization occurring at a time when Southeast Asia is experiencing its most profound

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peace since decolonization? This section examines the "facts of the matter" and evaluates the degree of concern to the United States.[51]

The fundamental problem is to examine the various motives for recent arms acquisitions. The first of these is regional economic growth. Much of Southeast Asia has been undergoing a dramatic economic boom for the past two decades, with double digit growth rates in some cases and real increases in gross domestic product (GDP). These states find themselves with the economic resources available to permit a greater allocation to the defense sector. This is of no great concern to the United States because all the states are spending far less than they might be expected to spend:

> In other words, the rate of growth of defense expenditures has generally been less than the rate of growth of GNP, so that defense spending as a percentage of GNP has generally fallen over the past decade. In the case of Indonesia, for example, it fell from 3 percent in 1981 to 1.6 percent in 1991; in Malaysia, it fell from 5.8 percent in 1981 to 3.4 percent in 1991; and in Thailand, it fell from 3.8 percent in 1981 to 2.6 percent in 1991. Only in Singapore has the percentage remained fairly constant -- and that is precisely because the defense budget has been officially "pegged" at 6 percent of GDP.[52]

An additional motive for the new arms buildup is desire for force modernization. This includes a shift towards high technology and the use of "force multipliers." Where a quick look at regional arms purchases would indicate a buildup, these states have been purchasing weapon systems such as ships and aircraft as direct, and in many cases, one

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[51] John Sislin and David Mussington, "Destabilizing Arms Acquisitions," Jane's Intelligence Review 7, no. 2 (February 1995), 88-90.

[52] Ball, "Arms and Affluence," 82.

for one replacements of older systems. While providing an increase in capability, the effect of the buildup is mitigated by this retirement of older systems. Much of this modernization has a legitimate basis and the effect on the regional balance of forces should not be exaggerated.

This arms buildup has been expedited by a surplus of weapons on the world market. The Western arms suppliers in Europe, but mainly the United States, have seen a boom in arms sales due to the "Gulf War effect" or the desire for high technology weapons such as high performance aircraft, smart bombs, and missiles as well as C^3I while the former Soviet bloc countries find themselves without their traditional client markets and with a surplus of Cold War equipment, new and old, to be sold at bargain prices. All suppliers find themselves trying to extend production lines to reduce cost and maintain jobs while the former Soviet bloc scrambles for hard currency with everything up for sale.

In a sense, Amitav Acharya argues that "the boom in the regional arms market is caused as much by competition among the suppliers as that among the buyers.... In this situation, regional countries sense a unique opportunity to modernize their capabilities on highly favorable terms."[53] This rush to buy arms is a result of a legitimate need coupled with the economic resources brought together with a source of competitively priced, high quality weapons. The regional countries appear to be purchasing not so

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[53] Amitav Acharya, "Why the Rush in Arms Upgrading in Southeast Asia?," Asian Defence Journal (April 1994), 28.

much in response to specific threat as not to miss a buying opportunity that may not be repeated.

This can be seen in the Indonesian bargain basement purchase of 39 ships from the former East German Navy, Malaysia's decision to buy 18 MiG-29s from Russia, and Thailand's interest in bargaining rice for MiG-29s.[54] Malaysia was even able to play the United States off Russia to receive a better price and aircraft. According to Acharya, a Western military official said that "if Russia fulfilled its promise, Malaysia would have 'the most advanced MiG-29 the Russians had ever put together'."[55]

While "prestige" may only be a secondary reason behind these arms purchases, it remains a strong motivation of its own from the perspective of some Southeast Asian states. This has been cited as one of the reasons behind the push towards high technology weapons such as Malaysia's quest for an advanced jet fighter after Indonesia, Thailand, and Singapore decided to acquire the F-16 from the United States. In 1988, the Malaysian Air Force chief expressed his concern that the Royal Malaysian Air Force was no longer the regional leader in the field of advanced fighter aircraft.[56]

A more recent example is the purchase of a Spanish helicopter carrier by Thailand scheduled for delivery in 1997. While this carrier provides Thailand with the

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[54] Denis Warner, "Will the UN Meet the Challenge?" Asia-Pacific Defense Reporter 20, no. 6/7 (December 1993/January 1994), 3.

[55] Michael Richardson, "Playing the Russia Card," Asia-Pacific Defense Reporter 20, no. 6/7 (December 1993/January 1994), 24.

[56] Amitav Acharya, "Explaining the Arms Build-Up in Southeast Asia," Asian Defence Journal (January 1993), 68.

only such capability in Southeast Asia, it is to be fitted out with royal apartments which has led some analysts to believe it will be "little more than a prestigious royal yacht."[57]

An additional motive for the arms buildup can be found in Southeast Asia's response to the post-Cold War policies of the external powers. One of the primary security concerns in Southeast Asia has been the perceived withdrawal of a U.S. commitment to the region. The United States pulled out of Subic Bay Naval Base and Clark Air Base in the Philippines in 1992 when the basing agreement was not extended. Although U.S. forces have not been reduced as much in Asia as in Europe, the perception in Asia is clear. The U.S. presence and therefore commitment to the region has been reduced.

To remain engaged in Southeast Asia, the United States must first fight this perception. Admiral Larson, then USCINCPAC, laid out the objectives for U.S. policy in Asia: "engagement and participation during peace time, deterrence and cooperation in crisis and unilateral victory in conflict. It is built of three pillars: preserving existing alliances and friendships; maintaining a forward presence in order to demonstrate America's continued commitment to regional security and stability; and ensuring the ability, if necessary, to react to crisis."[58]

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[57] David Jenkins, "Asia's Scramble for Arms," World Press Review 40, no. 6 (June 1993), 16.

[58] Ralph A. Cossa, "America and Asia: Peace and Stability Through Cooperative Engagement", Asian Defence Journal (January 1993), 74.

With the perceived power vacuum left by the withdrawal of the United States, regional states with great power ambitions may expand to fill that role. These states include China and Japan to the north and India to the west. Russia, which has virtually disengaged from the region, must also be counted as a future threat or influence in the region.

Because of the changes in the strategic environment which Southeast Asia is helpless to prevent, the nature of their arms acquisitions is perfectly understandable. The shift towards a maritime focus in Southeast Asia, as outlined in the previous section, translates into what Desmond Ball describes as a "significant degree of consistency in acquisitions programs."[59] These acquisitions include:

- National command, control, communications, and intelligence (C^3I) systems;

- Multi-role fighter aircraft, with maritime attack capabilities as well as air superiority capabilities;

- Maritime surveillance aircraft;

- Anti-ship missiles;

- Modern surface combatants;

- Submarines;

- Electronic warfare (EW) systems; and

- Rapid deployment forces.[60]

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[59] Ball, "Arms and Affluence," 81.

[60] Ibid., 81.

While this trend is occurring throughout the Asia-Pacific, it is occurring in Southeast Asia on a much smaller scale. The great powers of the Asia-Pacific have little to fear from the individual or combined forces of Southeast Asia but as has been shown, the reverse is not true. In addition, this buildup could, in time, be destabilizing on an intra-regional basis.

Sislin and Mussington define destabilizing arms acquisitions "as those arms acquisitions which increase perceptions of invulnerability in the state which imports or produces them, or which increase feelings of vulnerability in neighbors."[61] They have broken this down into six general characteristics of destabilizing acquisitions:

- Those which decrease warning time;

- Those providing breakthrough capabilities;

- Arms leaving no effective defense;

- Systems which provide an asymmetrical transparency of a neighbor's capability and military preparations;

- Broadening those targets which are at risk; and

- Those which by their nature engender hostile feelings in neighbors.[62]

The following are significant details of the recent acquisitions of individual states in the region. The major emphasis of the Indonesian Navy remains maritime patrol and surveillance and updated Boeing 737 maritime patrol aircraft have returned to service

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[61] Sislin and Mussington, "Destabilizing Arms Acquisitions," 88.

[62] Ibid., 88.

and a number of maritime patrol CN235s are to be acquired. Work continues refitting and arming the 39 former East German warships as they are received. This modernization, training, and integration burden, which is projected to cost in excess of one billion dollars, will tax the Indonesian Navy for the next several years and will limit other desired programs.

While Indonesia is currently the only state in the region to operate a submarine force, with two German Type 209 submarines, the desire to purchase two additional German Type 209/1300 boats is unresolved due to their budget constraints.

As with some other regional actors, Malaysia has placed the desire for submarines behind the need to modernize more essential surface forces. The Malaysian Navy is scheduled to take delivery this year of the first of two modern frigates being built at Yarrow Shipbuilding in the UK. They are also expected to place an order for 12 offshore patrol vessels with long-range plans for as many as 37. The Malaysian Air Force has decided to purchase both the Russian MiG-29 and the U.S. F/A-18 aircraft. The MiG-29s will begin arriving in late 1995. The Malaysian Army has recently completed the formation of a new brigade size Rapid Deployment Force, the first of its kind in Southeast Asia.

Singapore has received four F50 Enforcer maritime patrol aircraft, however, "the biggest naval decision is to form a submarine service, starting with type 206, secondhand, German-built diesel-electric submarines. Although some 20 years old, these small 500-ton boats are optimized for operations in shallow and confined waters. They will make a

significant contribution to the reconnaissance and anti-submarine capabilities of the Republic of Singapore."[63] To this, Singapore will add six new missile-armed fast-attack craft and are planning to replace their remaining World War II era landing ships.

The pride of Thailand is the Chakri Naruebet, a helicopter carrier, being built by Bazan in Spain that is capable of carrying 15 Sea King helicopters. With a ski-jump ramp, it is also capable of carrying and launching up to 12 Harrier II, short takeoff and vertical landing, aircraft. This carrier is scheduled to be delivered in 1997 while original plans for a second carrier as well as desires for a submarine force have been placed on hold by budget constraints.

Thailand has also recently added four Chinese Jianghu-IV class frigates to its inventory and increased maritime surveillance and ASW capability by the addition of three P-3A Orion aircraft. The Royal Thai Airforce is buying secondhand F-5Es to replace those lost through attrition and will receive a second batch of U.S. F-16A/Bs in 1995. Four surplus U.S. E-2C Hawkeyes are also on order.

Unlike the rest of the ASEAN states, the Philippines has been under extreme fiscal austerity with economic growth at less than 1 percent and has had to scale back most programs for modernization with existing units suffering from lack of maintenance and training. This situation will not be remedied soon.

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[63] A. W. Grazebrook, "More Regional Naval Growth," Asia-Pacific Defence Reporter 21, no. 6/7 (December 1994/January 1995), 16.

Indochina, a diverse region, is made up of countries just coming out from under years of military conflict. Their economies are just starting to recover and their military forces have been largely dominated by land forces. These land forces are being cut dramatically and there is no corresponding buildup in naval forces as in the more developed states in the region. This trend will continue for the foreseeable future.

Burma has received up to US$1.4 billion worth of arms and military equipment from China.[64] This is a majority of all arms imported by Burma since the State Law and Order Restoration Council (SLORC) took control of Burma in September 1988 and international sanctions were imposed. These arms include a wide range of weapons including fighter and transport aircraft and ground combat and communications equipment.

To summarize the regional arms buildup, and its degree of concern to the United States, two questions must be answered: first, is the current arms buildup legitimate modernization or is it deliberately destabilizing; and second, is the arms buildup legitimate modernization or is it a veiled arms race? It is clear that those forces which support what has been described as maritime constabulary missions are driving the buildup. These include surface combatants that range in size from frigates to fast-attack craft and coastal patrol boats, with the total numbers increasing as the size decreases.

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[64] William Ashton, "Chinese Bases in Burma: Fact or Fiction?" Jane's Intelligence Review 7, no. 2 (February 1995), 84. The same figure is quoted in William Ashton, "Chinese Naval Base: Many Rumors, Few Facts," Asia-Pacific Defence Reporter (June/July 1993), 25.

These are potentially destabilizing because the capability of these ships is so much greater than those they replace. This is particularly true because this advanced capability includes electronic warfare (EW), anti-missile defense, and surface to surface anti-ship missiles. Where the total numbers of all categories of vessels except the very smallest is actually dropping, as states replace and retire older vessels (many of World War II vintage), the real military capability of states in the region is increasing.

A second buildup is occurring in maritime patrol and surveillance aircraft. These aircraft allow states to patrol their large offshore regions in conjunction with the vessels discussed above. These aircraft also provide early warning and intelligence which can increase warning time and in that sense is stabilizing.

Third, there is a modernization in progress of high performance jet aircraft. This appears to be driven as much by supplier competition and regional prestige as by any real need. This modernization by itself is not destabilizing because these aircraft are not being purchased in large numbers and the ability to integrate them into the existing forces will be a challenge for these small states. Integration of forces is further complicated by the purchase of Russian aircraft which have uncertain maintenance and supply support.

Finally, there is a destabilizing desire to obtain submarines from many states in the region. Currently Indonesia has two and it appears that Singapore will soon join the club. These weapons systems are disturbing in a region dominated by maritime states that depend on maritime trade that could be easily disrupted by a state possessing

submarines. This capability also attracts the attention of external powers that also depend on the free flow of raw materials, goods, and oil through the region.

Stability in Southeast Asia is simplified, however, by the removal of three contributors to instability present in the broader Asia-Pacific. The first is the absence of indigenous arms production in the categories of weapons considered destabilizing. The second is the absence of any threat of or development of weapons of mass destruction or terror weapons. The Philippines is the only state in Southeast Asia that has experimented with a civilian nuclear power program and has since backed away from it and no regional state has make any attempt to develop an indigenous nuclear industry. Terror weapons, such as chemical and biological, could be developed indigenously due to the low technology involved, but Southeast Asia has a healthy aversion towards and strong norms against their use.

Finally, while the proliferation of accurate, long-range ballistic missiles and their technology is a prominent concern in East Asia and South Asia, Southeast Asia has yet to join those developing indigenous capability for commercial space programs or for defense. This is true for economic reasons but also because they are not threatened intra-regionally by these weapons and external powers such as China and India, that possess them, have been too preoccupied with each other to threaten the region.

If these technologies were to breakout in Southeast Asia they would be destabilizing not only by their very nature but also by the break with existing norms it would represent. While this is possible, the chance of this occurring is unlikely.

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The arms buildup in Southeast Asia has also been characterized by some as an arms race. An arms race would be politically disruptive, a diversion of funds from economic development, and a source of regional tension and insecurity. Since even a perceived arms race could result in further escalation, it is important to accurately characterize the nature of the maritime buildup in progress. For an arms race to take place, Colin Grey argues that the following four basic conditions must be met:

- There must be two or more parties, conscious of their antagonism;

- They must structure their armed forces with attention to the probable effectiveness of the forces in combat with, or as a deterrent to, other arms race participants;

- They must compete in terms of quantity and/or quality; and

- There must be rapid increases in quantity and/or improvements in quality.[65]

In Southeast Asia, while there are numerous unresolved disputes, the main threats of the past, the Indochina problem and Cold-War great power competition, have been removed. All powers with interests in the region have agreed in principle or by treaty to the peaceful resolution of disputes. Even China, with a long history of settling boundary disputes through the use of military force, recognizes the need for stability in the region to support their long term goal of economic development. In response to joining the ARF, China's foreign minister declined to sign the 1976 Treaty of Amity and

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[65] Colin S. Grey, "The Arms Race Phenomenon", World Politics 24, no. 1 (October 1971), 41.

Cooperation, but did state that "his country could support its principles without 'necessarily having to join or accede to it'."[66]

There is no evidence that any of the states of Southeast Asia are in competition with each other in terms of quantity or quality, or that their current or planned forces are being purchased with a specific threat in mind. If this is true, then why is Southeast Asia spending so much on attack aircraft, light surface combatants, and anti-ship missiles? According to Jenkins, "the short answer is that this is an important maritime region. These states are anxious to exercise sovereignty over their territorial waters, to guard against the plunder of their resources, to clamp down on piracy and smuggling, and to maintain internal security."[67]

The best way to characterize these purchases is for contingency planning by states whose economic growth has given them the financial capability to modernize a small and aging force during a period of regional security uncertainty. A second reason is the availability and low cost of modern weapons as the competition by defense suppliers in a shrinking world market and "fire sales" from the republics of the former Soviet Union and the Warsaw Pact produces a buyers market.

Rapid increase in quantity or quality of forces may be taking place, but alone does not make an arms race. This increase is partly explained by a shift in the mix of weapon

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[66] Stephen L. Ryan, "ASEAN's Regional Security Forum: Giving Southeast Asia a Voice in World Affairs," Asian Defence Journal (September 1993), 64.

[67] Jenkins, "Asia's Scramble for Arms," 16.

systems being purchased. In the past, weapons were bought "to be used primarily within their own borders, against domestic threats some of which received external support to statehood and regime structure. By contrast, the current arms acquisitions are geared to meet external threats."[68] This increase has also been explained in terms of increased need and availability.

Another feature of the Southeast Asian arms buildup is the recognition by ASEAN members of the danger of an arms race and steps taken to include confidence-building measures (CBM) in the framework of the newly formed ARF to reduce intra-regional and international concern. They are increasingly receptive to the idea of holding discussions "which would lead to identification of measures to prevent strategic misunderstanding, enhance transparency, and check the proliferation of arms."[69]

It would be more correct to characterize what is being seen in Southeast Asia as a defense reorientation and modernization than an arms buildup. While the capability of the new forces are superior to those they replace, there is no real buildup. Older systems, many of World War II vintage, are being retired at as rapid a pace. It is clear that the states in the region are not in an arms race. They are making very pragmatic decisions on arms purchases and recognize that they do not have unlimited resources and must limit their desires or slow acquisition rates rather than increase defense spending.

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[68] Acharya, "Why the Rush in Arms Upgrading in Southeast Asia?," 27.

[69] Ibid., 30.

With this said, one area of concern remains, the purchase of submarines by Indonesia and now Singapore with the resulting desire of their neighbors to obtain this capability for themselves. It is for cases such as these that ASEAN's new initiatives towards confidence-building measures and transparency will be required.

From this survey of the current and developing conflicts of interest in Southeast Asia, the following conclusions can be made. First, the overarching bi-polar conflict has been removed from the region and with it much of the direct support, or intervention, in regional affairs by external powers. This has coincided with relative superiority of legitimate governments over traditional insurgencies with the exception of the Philippines and the non-ASEAN states. What is left are the old territorial disputes that have been in the background since decolonization. These disputes have not increased in number or severity since the end of the Cold War and do not threaten peace and stability in Southeast Asia.

Maritime disputes, on the other hand, have increased in both number and severity in the last decade and provide the primary source of external security concern for the nations of Southeast Asia. These concerns are primarily economic; not only because of their affect on trade, which is their lifeline, but also because of the resources that may lie beneath these disputed waters.

Finally, the very real arms buildup taking place in Southeast Asia, as in the rest of the Asia-Pacific, could develop into an arms race in the future. In the event of any future conflict this raises the stakes for all concerned. One of those concerned is the United States, who, being as dependent on trade for economic prosperity as those in the region,

but also needing access to vital sea lanes through Southeast Asia for the transit of U.S. military forces in the event of renewed conflict in the Middle East or elsewhere. U.S. security, while not threatened by these indigenous conflicts or by a regional military buildup that is small by comparison to U.S. Pacific forces, are engaged in the maintenance of peace and stability in Southeast Asia, an interest the United States has in common with the region.

IV. CONFLICTS OF INTEREST IN SOUTHEAST ASIA: EXTERNAL

The preceding chapter analyzed the conflicts of interest between the Southeast Asian states themselves. This chapter now turns to relations between states outside Southeast Asia whose interests in the region are in conflict.

A.   THEIR NEAR NEIGHBORS

The Commonwealth of Australia was formed on 1 January 1901 but the new nation continued to be dependent on the Royal Navy for protection. This dependence shifted during World War II to the United States and relations between the two countries, still allied by the ANZUS treaty, are as strong today. U.S. policy in Asia is generally viewed with favor in Australia.

Australia views its future, however, as most closely tied to Southeast Asia, including Indochina. In the future, Australian defence policy intends to strengthen bilateral defense relations with the region. Currently, Australia conducts or participates in bilateral and regional exercises and maintains regular military to military contact through senior-level seminars. Training of Southeast Asian personnel is conducted through the government-sponsored Defence Cooperation Program.[70]

In a policy of "comprehensive engagement," Australia foresees building positive relationships with Southeast Asia that will promote economic development and regional

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[70] Dora Alves, "Australia's Developing Relations with Southeast Asia," Asian Survey 33, no. 5 (May 1993), 524-5.

security. Economically, Australia understands that its interests are closer to Southeast Asia than to Europe where there is a potential market of 370 million people by the year 2000. Australia, however, must become more competitive to take advantage of that potential.

Australian security, while tied to Southeast Asia is also threatened by Indonesia's burgeoning population and its location as a near neighbor. Australia still fears an unprotected northern coast. Indonesia, on the other hand, needs assurances against Australia's concentration of forces there. Australia is also looking to the west and India's seagoing doctrine in the Indian Ocean.

Australia has had a long history of participation in regional development beginning with the Colombo plan for economic development, followed by the Five Power Defense Arrangement, and in 1974, selection as ASEAN's first dialogue partner. This interest continues with participation in the ARF and the proposal for the Asia Pacific Economic Cooperation (APEC) as a non-exclusive economic organization to counter the Malaysian proposal for the East Asian Economic Caucus. This multilateral approach, however, is still seen as a supplement rather than a replacement for traditional bilateral relationships which are still the foundation of Australian foreign policy.

The 1994 Australian Defense White Paper considers the U.S. alliance as central to Australian defense policy, but it is still a policy of defense self-reliance. This policy is similar to U.S. policy, but on a regional scale. It desires international support but must ensure the capability to act alone. Due to Australia's small size, it is important to

promote cooperation within the region to minimize defense spending, and an arms race, and to allow the region to continue social and economic development. In keeping with this policy continued U.S. engagement in the Asia-Pacific is essential.[71]

After Australia, the People's Republic of China is of most concern to Southeast Asia. After its foundation in 1949, the People's Republic of China has, with the exception of supporting insurgencies and her role in the Vietnam conflict, ostensibly, stayed out of Southeast Asian affairs. The end of the Cold-War, however, coincides with a resurgent China that looks to be a major power in Asia today and a great power in world affairs in the future.

> China appears committed to improving its naval force structure in order to prosecute its territorial claims in the South China Sea and to support its other 'interests.' Its People's Liberation Army Navy (PLAN) currently possesses only coastal (or near-coastal) capabilities, but relaxation of tensions with Moscow has allowed the PLAN to build toward a deep-water navy. Concomitantly, the PLAN has developed a new 'offshore defense doctrine,' intended to effectively control territorial waters extending to the boundaries of its 200-mile EEZ, 'although it stretches to more then 1000 km in the South China Sea if the Spratlys are included.'[72]

With this strategic vision China has put a great deal of emphasis on the four modernizations especially economic expansion and its spin-off for military modernization. This translates into a naval buildup that is seen as a future threat to

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[71] Stephen J. Merchant, "Australian Defence Futures: Defending Australia," (Address to the 1995 Pacific Symposium, Multilateral Activities in Southeast Asia, Honolulu, 23 February 1995), no page number.

[72] James L. Lacy, A Different Equation: Naval Issues and Arms Control After 1991, (IDA Report No. HQ92-42765, December 1993), 75.

Southeast Asia. The major focus of this threat today is the South China Sea where the China's position was best articulated by the passage of a territorial waters' law in February 1992 which reasserted Beijing's "undisputed sovereignty" over the Spratlys and the Paracels.[73]

To back up these claims, China has continued to build up its presence in the region to include listening posts, occupation and garrisoning of islets, and a naval presence. This naval presence consists of the deployment of one or two Jianghu frigates and supporting vessels on a continuous basis. This may not yet be a formidable force, but it shows considerable commitment by the Chinese to support the deployment of ships more than 1000 nautical miles from their home bases.

Southeast Asia's concern over China's role in the South China Sea can be summarized in four points:

- China's long term goal of becoming a regional maritime power and a corresponding maritime buildup;

- The strategic value of the South China Sea as well as prestige for the Chinese in controlling this vital sea lane;

- The possibility of rich marine and mineral resources; and

- A history of Chinese use of military force in the area in spite of agreement to pursue peaceful resolution.[74]

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[73] J. N. Mak, "The ASEAN Maritime Build-up: Contingency Planning in an Uncertain World", (Paper presented at The Sea Power Conference, London, May 5-6, 1994), no page number.

[74] Bert Wayne, "Chinese Policies and U.S. Interests in Southeast Asia," Asian Survey 33, no. 3 (March 1993), 327.

Southeast Asia (and India) are also concerned with the degree of Chinese military cooperation with Burma which increases the possibility of conflict in the Indian Ocean.

> Their concerns have focused primarily on China's massive arms sales to Burma but have been heightened by reports that China is constructing a major naval base near the Irrawaddy river delta. There are also suggestions that China is developing a maritime reconnaissance facility on Burma's Great Coco island, just 30 nautical miles north of India's Andaman group.[75]

William Ashton argues that there are many reasons for these reports to be overstated but that the regional concern and suspicions, which increase the potential for conflict, depend more on "the perception of a growing Chinese presence in Burma, and a possible future Chinese naval threat in the Indian Ocean, ...than the reality."[76]

This Southeast Asian concern for China's military force is one of relative size and while it may not be a threat to the United States or Japan due to its technical obsolescence, China needs to understand its strategic prominence in the region and appreciate Southeast Asia's traditional suspicions of its long-term intentions in the region.[77]

While there is concern in Southeast Asia that China may become the next Asian hegemon, the Chinese themselves are more concerned with internal economic development and stability. They desire full participation in developing multilateral

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[75] William Ashton, "Chinese Bases in Burma: Fact of Fiction?" Jane's Intelligence Review 7, no. 2 (February 1995), 84.

[76] Ibid., 87.

[77] Chen, "China's Spratly Policy," 903.

organizations such as APEC and the ASEAN Regional Forum (ARF). With the end of the Cold War, and a corresponding end to the Sino-Soviet-U.S. rivalry in Southeast Asia, China is no longer a supporter of insurgents in the region. An indication of the extent of this lessening of tensions is the normalization of relations between China and the ASEAN members.

Southeast Asia is also aware of the potential threat latent in India, its other great power neighbor. India, the largest in area, population, and military power in South Asia may aspire to dominance in the Indian Ocean; however, India sees its major threats lying to the north and west, primarily in Pakistan and the Middle East. India's interests in Asia lie in trade and in the threat from its historical adversary, China.

India and China, with traditional spheres of influence that overlap in Southeast Asia, are eyeing each other suspiciously. While both have come along way towards rapprochement since their border clash in 1962, they are at the same time developing blue water naval forces. As both India and China develop a blue water naval capability, the possibility of extending their traditionally land based threat to the sea, with Southeast Asia caught in the middle, is increased. This scenario is years away, however, because India's power projection capability is centered on two aging carriers and China's realization of the dream of a carrier is fiscally impossible in the near term.

During the last half of the Cold War, India viewed ASEAN as a pro-Western organization and was viewed by ASEAN as having abandoned the non-aligned movement in alliance with the Soviet Union. ASEAN was also disturbed by India's intervention in

East Pakistan and support of Vietnam after its intervention in Cambodia. These differences soured relations until the end of the Cold War.

Since 1991, India has given up its policy of "self-sufficient socialism" and has begun to deregulate its economy.[78] According to George Tanham, India has adopted a "look east" policy, and has begun to forge ties with Southeast Asia, especially ASEAN. Pursuing a two-track policy, India desires to develop a formal relationship with ASEAN as an organization and to develop economic and security ties with individual members.[79]

In January 1994, the ASEAN-Indian Joint Sectoral Co-operation committee was formed at a meeting in Bali. This is seen by India as a first step towards becoming a dialogue partner in the ASEAN post-ministerial conference and further integration into Southeast Asian regional economic and security initiatives.[80] Furthermore, India is also establishing bilateral economic and security relations with individual Southeast Asian countries.

B. PERCEPTIONS OF MORE DISTANT POWERS

Of the more distant powers, Japan is most prominent on Southeast Asia's horizon. The Japanese, with the largest military budget of any nation in Asia and the most formidable force, are tied by their constitution and a bilateral defense treaty to the United

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[78] Michael Richardson, "Rapprochement between ASEAN and India," Asia-Pacific Defence Reporter 20, no. 10/11 (April/May 1994), 12.

[79] George Tanham, "Barriers Tumbling but Progress Slow," Asia-Pacific Defence Reporter 21, no. 4/5 (October/November 1994), 14.

[80] Ibid., 14.

States. So long as this remains true, Southeast Asian nations do not see Japan as a threat. It is in the potential for transforming economic power to military power that is the cause of concern and one of the major reasons that continued U.S. engagement is desired by most of the nations of Asia.

After World War II, in an effort to forge a new relationship with Southeast Asia, Japan focused on economic assistance and mutual understanding. This post-war economic diplomacy enjoyed American support and lasted until the end of U.S. involvement in Indochina. According to Sueo Sudo, the absence of a predominant American presence in Southeast Asia "compelled Tokyo to formulate a new framework of regional order."[81] This new relationship was first articulated by then Prime Minister Takeo Fukuda in August 1977 in what became known as the "Fukuda Doctrine." The Fukuda Doctrine was directed at ASEAN and was composed of three principles: to reject a military role in the region; to consolidate relationships based on mutual confidence and trust; and to become an equal partner with ASEAN while fostering mutual understanding with the nations of Indochina.[82] Japan has not taken an overt economic or political leadership role, however, for fear that such a move would be misinterpreted as a revival of the prewar concept of a Co-prosperity Sphere. The Fukuda doctrine is still the core of Japan's ASEAN policy.

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[81] Sueo Sudo, "Japan-ASEAN Relations: New Dimensions in Japanese Foreign Policy," Asian Survey 28, no. 5, (May 1988), 511.

[82] Ibid., 512.

Japan has no claims in the region but sees Southeast Asia, and specifically the South China Sea, as its lifeline as most of its raw materials and oil pass through this region as well as it being a major market for its finished goods. Because of this, stability in the region is considered a vital national interest and given any perceived U.S. withdrawal sees its role as balancing against the resurgent power of the Chinese in Asia. Any threat to the security of the trade routes through Southeast Asia would require Japanese participation regardless of U.S. action or inaction. This accounts for their emphasis on relations with Indonesia and Malaysia.

The Japanese military, has slowly expanded its role, with the encouragement of the United States, within the scope of the U.S.-Japanese Alliance. This role has grown from limited coastal defense to an official defense out to 1000 nautical miles. Japan has also, for the first time since World War II, allowed self-defense forces to be used in operations on Asian soil. This use, in support of the UN mission in Cambodia, has received general acceptance from Southeast Asia.

Beyond Japan lies the reality of Russia. Since the end of the Cold War, the old Soviet fleet, with the exception of nuclear powered submarines, rarely ventures from port. The threat implied in the Soviet presence in Cam Ranh Bay has disappeared. This withdrawal is driven entirely by economics and not a desire to disengage from the Pacific. A significant Pacific Fleet remains and with a turnaround of the economic or political situation, Russia could be a major power in the region again. Current Russian influence, however, has disappeared. Its future promises little more than veiled threats

that if not given a part in Asian-Pacific affairs it could work to undermine democratic reforms in Russia and could result in a resurgent Russian nationalism. A second concern is the sale of technology and weapons to the region.

The European states maintain their economic interests in Southeast Asia, but each sees limited opportunities for its own merchants acting alone. The French naturally retain an interest in the former states of Indochina and the Dutch have nostalgia for their colonial empire in Indonesia. The British of course have significant interests in Burma, Malaysia, and Singapore. They are in the wings watching developments in Southeast Asia and hoping to maximize their interests by combined actions through the European Union.

C.   THE UNITED STATES

The United States gives constant assurance of its determination to stay engaged in Southeast Asia. Of all the distant powers in which the Southeast Asian states are interested, the United States is most prominent. All welcome an American presence and look to the United States to preserve an environment of peace and stability.

The United States made six collective defense arrangements with Asia during the post World War II, Cold-War era, two directly with Southeast Asia. These six relationships were:

- The Treaty of Mutual Cooperation and Security between the United States and Japan;

- The Security Treaty between Australia, New Zealand, and the United States (ANZUS);

- The Mutual Defense Treaty between the United States and the Republic of the Philippines;

- The Mutual defense Treaty between the United States and the Republic of Korea;

- The Southeast Asian Collective Defense Treaty; and

- The Mutual Defense Treaty between the United States and the Republic of China.

The first of these treaties was an effort by the United States to forge an alliance in Northeast Asia against what was developing into an anti-Soviet Cold War. The ANZUS and Philippines treaties were originally accepted as guarantees against a resurgent Japan. The remaining treaties represent the development of the containment strategy of perimeter defense following the Korean War. The treaty between the United States and the Republic of China (Taiwan) was terminated in 1979 following normalization of U.S. relations with the People's Republic of China on 15 December 1978.

These treaties, now remnants of the Cold War, do not form a collective defense treaty system. They are all bilateral in nature and only commit the signatories in the event of an "armed attack" from the outside to "consult together" and to act "to meet the common danger in accordance with its constitutional processes." These treaties are also not mutual because the applicable "treaty area" only applies to territories in common interest in the Pacific.

The Treaty of Mutual Cooperation and Security between the United States and Japan, which still forms the foundation of U.S. Asia policy, was not only to provide security for Japan but also to "encourage closer economic cooperation between them and

to promote conditions of economic stability and well-being in their countries [as well as the] maintenance of international peace and security in the Far East,"[83] two contemporary missions of the U.S.-Japan relationship. This treaty and the Mutual Defense Treaty between the United States and the Republic of Korea grant basing rights to U.S. forces, elements not present in the remaining treaties. While permanent bases are no longer the linchpin of U.S. forward presence, continued stationing of forces in Korea and Japan provides a clear indication of continued U.S. commitment to the region. Increased burden sharing by the host government has also made the placement of these forces overseas a cost effective arrangement.

In Southeast Asia, the following two bilateral treaties, forged during the Cold War, remain in force today. First, the Southeast Asian Collective Defense Treaty signed in Manila on 8 September 1954 paved the way for the now defunct Southeast Asia Treaty Organization (SEATO) but remains in effect today on a bilateral basis between the United States and Thailand. Second, the Mutual Defense Treaty between the United States and the Republic of the Philippines was signed in Washington on 30 August 1951 to satisfy Philippine demands for U.S. security guarantees against a resurgent Japan as a precondition to their support for a Peace Treaty with Japan signed that same year. The elements of this treaty have not been altered by the Philippine failure to renew the basing agreement and subsequent withdrawal of all U.S. military forces in 1992.

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[83] Department of State, United States Treaties and Other International Agreements, vol. 11, pt. 2 (1960), (Washington D.C.: U.S. Government Printing Office, 1961), 1632-1757.

While the articulated foundation of U.S. strategy in the Asia-Pacific and Southeast Asia is this web of bilateral alliances, it is always wise to subject treaties of mutual security to reexamination and the United States needs more than allies in the region. It is important to maintain strong relations with allies formed during periods of adversity and common threat, but in a period of peace with no coherent threat, it is equally important to forge new friendships and to work to lower tensions between old adversaries. The United States should search for further ways to form inclusive relationships in the region while reducing this reliance on exclusive alliances.

No less important than treaty arrangements are permanent bases and access to foreign facilities, forces stationed overseas, and deployed forces which constitute American overseas presence. This presence took on its present form following World War II as part of the U.S. strategy of containment. The containment strategy of perimeter defense included these same elements as well as treaty obligations on the periphery of the communist world. U.S. strategy during most of this period was anti-Soviet more than anti-communist and with the demise of the Soviet Union, much of this threat has been removed.

Since the end of the Cold War, continued U.S. presence is an essential element of U.S. regional security strategy and is welcomed by the region as reassurance of continued U.S. commitment to the region. This presence also provides staging areas for U.S. forces and material for operations elsewhere. The February 1995 East Asia Strategy Report gives the following rational for continued U.S. military forward presence:

Forward deployed forces in the Pacific ensure a rapid and flexible worldwide crisis response capability; discourage the emergence of a regional hegemon; enhance our ability to influence a wide spectrum of important issues in the region; enable significant economy of force by reducing the number of United States forces required to meet national security objectives; overcome the handicaps of time and distance presented by the vast Pacific Ocean; and demonstrate to our friends, allies and potential enemies alike a tangible indication of the United States' interest in the security of the entire region.[84]

At the height of the Cold War, U.S. forces were permanently based in the Republic of Korea, Japan, the Philippines, Taiwan, Thailand, and Vietnam. Following the Vietnam War, U.S. forces withdrew from Thailand and Vietnam. Following normalization of U.S. relations with mainland China, U.S. forces were withdrawn from Taiwan; and after nearly 100 years in the Philippines, the last U.S. forces left in 1992 following the expiration of basing agreements there.

The withdrawal of U.S. forces from the Philippines prompted an outcry from the Asia-Pacific and Southeast Asia in particular about the strength of U.S. commitment. This outcry is similar to that following the withdrawal of U.S. forces at the end of the Vietnam War. The United States has reduced its overseas deployed forces not due to a lack of commitment but as a part of the overall downsizing that is occurring throughout the defense department. According to the Secretary of Defense,

> The United States needs overseas bases to sustain its forward presence and to provide facilities for regional contingency operations during periods of crises. Our successes in the Persian Gulf were due in no small measure to our access to overseas bases. Foreign bases enhance deterrence,

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[84] Department of Defense, <u>United States Security Strategy for the East Asia-Pacific Region,</u> (Washington, D.C.: U.S. Government Printing Office, February 1995), 23.

contribute to regional stability, and facilitate rapid response by U.S. forces.[85]

In fact, the U.S. has been strengthening alternative relationships to replace the lost facilities and understands the need for access to facilities overseas.

With the loss of the Philippines, the U.S. has withdrawn or redistributed its forces within the region. The withdrawal of U.S. military forces from the Philippines

> accelerated the process, foreshadowed in the 1990 East Asia Strategy Initiative report, of shifting the US military posture in Southeast Asia from a large, permanent presence at a single complex of bases in the Philippines to a more widely distributed, less fixed, posture. This posture consists of regional access, mutual training arrangements, periodic ship visits, intelligence exchanges, and professional military educational programs rather than permanently stationed forces.[86]

Since 1985, U.S. forces overseas in the Asia-Pacific have fallen from approximately 135,000 to their present level of 100,000 in 1995. This drawdown was planned as early as the April 1990 East Asia Strategy Initiative Report and has not significantly changed, in spite of full withdrawal of U.S. forces from the Philippines. The current level is anticipated to hold relatively constant and includes a force of over 25,000 forward deployed to the region on a temporary basis, the same number as in 1990, before the drawdown. U.S. commitment to the region has not changed.

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[85] Secretary of Defense, Annual Report to the President and Congress, (Washington, D.C.: U.S. Government Printing Office, February 1992).

[86] Department of Defense, United States Security Strategy for the East Asia-Pacific Region, (U.S. Government Printing Office, 1992), 5.

Reflecting this new posture, the United States and Singapore signed a Memorandum of Understanding on 13 November 1990 allowing U.S. use of facilities there. While the United States has been using facilities in Singapore for 25 years, under this agreement, "there has been a modest increase in US use of Singapore's ship maintenance and repair facilities. Singapore's Paya Lebar airfield is also used for short-term rotations by USAF aircraft."[87] Following U.S. withdrawal from the Philippines in 1992, the Singapore government also agreed to host the Seventh Fleet Logistics Command, a small staff of approximately 100 people. In the fall of the same year, Indonesia signed an agreement allowing the U.S. Navy use of the state-owned Ptpal dockyard in Surabaya. The United States now has limited access agreements with Australia, Indonesia, Malaysia, Singapore, and Thailand.

A 1994 attempt to reach agreement with Thailand to place propositioning ships offshore in the Gulf of Thailand was unsuccessful and other states in the region have already come forward to turn down such an idea citing the sensitivity of the region to interference by outside powers and the threat of their use to their neighbors.

To supplement the influence of treaties and forward deployed forces, the United States has both short term security and long term economic development goals in Southeast Asia. Development assistance has been used not only to better the standard of living of people, but also to support U.S. objectives to protect and expand markets and to maintain access to supplies of strategic materials.

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[87] Ibid., 15.

To show support for friends and allies, the United States also continues a wide array of military assistance programs. These range from loans (such as the FMF program) for military industrial development, grants and Foreign Military Sales (FMS), compensation for basing and access agreements, and training and education (such as the IMET program).

From a military point of view, the International Military Education and Training (IMET) program has been most useful. It has educated foreign military and civilian defense personnel and has also exposed Asian leaders to the American way of life and thought. This helps to develop a professional military supportive of fundamental democratic institutions, U.S. concepts of civil-military relations, and human rights. IMET and other forms of military assistance also help foreign forces to operate with the United States in a crisis.

V. EXISTING STRATEGIES FOR CONFLICT RESOLUTION

This chapter examines the existing and evolving strategies for conflict resolution generally followed in Southeast Asia. These strategies include political, economic, and military components and involve all mechanisms of conflict resolution.

A. BILATERAL RELATIONSHIPS

Cooperation on multilateral dialogue has been the watchword for social and economic development in the region while bilateral relations have been the norm for diplomatic and military cooperation. This is only changing slowly.

Even where external powers are involved, as in the Five Power Defense Arrangement, regional involvement remains bilateral with only two regional members, Malaysia and Singapore. This organization has sponsored joint air defense exercises at the Payar Lebar airport in Singapore for over 20 years.[88] Australia has also conducted routine bilateral exercises with not only Malaysia and Singapore but also with the remaining ASEAN members: Brunei, Indonesia, the Philippines, and Thailand. These exercises have involved land, air, and naval units of participating forces.[89]

A second trilateral arrangement of annual exercises sponsored by Indonesia, Malaysia, and Singapore since the late 1970s, covering all three services, have only been carried out on a bilateral basis. Joint exercises have been proposed but have never been

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[88] Gallagher, "China's Illusory Threat to the South China Sea," 181.

[89] Bilveer Singh, "Confidence Building, Security Measures and Security Regimes in Southeast Asia," <u>Asian Defence Journal</u> (March 1992), 12-16.

conducted. Indonesia and Singapore signed an agreement to establish joint anti-piracy patrols and have agreed to set up direct communication to coordinate their response in the Straits of Malacca. They have also agreed to develop a joint bombing range on Sumatra. By the end of 1991, Memorandum of Understandings have been signed between all the ASEAN member to have some form of military cooperation, including between Malaysia and the Philippines.[90]

The Indian Navy has carried out joint exercises with Indonesia, Malaysia, and Singapore, since 1990 and has plans to include Thailand in the future.

> These are seen as continuing efforts in military co-operation. In other co-operative efforts, Singapore has used Indian missile testing facilities and may use other military training facilities. Malaysia in February 1993 signed a memorandum of understanding with India for defence co-operation.[91]

This cooperation includes a wide array of military contacts such as training and education, exchanges of personnel, and use of facilities. Southeast Asia is also interested in possible sales of Indian military equipment to the region. This contact can do much to ease tensions between India and ASEAN, but may not be viewed as benign by China.

The United States conducts a far reaching program of military exercises with its Asian allies: Australia, Japan, Korea, the Philippines, and Thailand. These exercises, which consist of major joint exercises, as well as a large number of smaller military-to-

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[90] Ibid., 17.

[91] Tanham, "Barriers Tumbling but Progress Slow," 16.

military exercises are conducted primarily on a bilateral basis with Southeast Asia. This includes forty, mostly small-scale, joint exercises with Thailand each year as well as a continuing program with the Philippines.[92]

B. MULTILATERAL STRATEGIES

The most obvious feature of Southeast Asia during the half century leading up to World War II was conquest and colonial rule by the West. "But if colonial rule spread swiftly and planted itself solidly, it departed even more swiftly in the 1940s and 1950s."[93] As the colonial powers departed there began the slow process of nation-building, as nationalism grew in Southeast Asia. The legacy of colonialism is still in vogue today. Powerful nationalism has led to an antipathy against multinational organizations and colonial memories to the mistrust of external powers. Both of these have led to difficulty in developing regional organizations within Southeast Asia.

The development of economic cooperation in the Asia-Pacific region has led to a proliferation of organizations with overlapping goals. Of these, I have selected six, three unofficial and three official organizations, that have shaped the history of the region. These six, while not indigenous Southeast Asian organizations, have a large Southeast Asian membership, are seen as successful, and continue today.

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[92] Gallagher, "China's Illusory Threat to the South China Sea," 184.

[93] Steinberg, David Joel, In Search of Southeast Asia: A Modern History, rev. ed., (Honolulu: University of Hawaii Press, 1987), 173.

"In the 1960s and 1970s many concrete suggestions and proposals for economic cooperation in Asia and the Pacific began to take shape and to attract region-wide attention, if not region-wide support. Four of these initiatives of an essentially private or unofficial nature were of particular significance, and had visible impact. In three of the four cases, these initiatives led to concrete implementation and institutionalization, well beyond the levels envisioned, or even desired by some participants, in their early stages."[94]

The Pacific Basin Economic Council (PBEC), was created in 1967 as a private organization with five national committees: Australia, Canada, Japan, New Zealand, and the United States. Although its leadership has been dominated by the highly industrialized nations of the Asia-Pacific region, it has grown in membership, activities, organization, and effectiveness. The PBEC is an international business association whose purpose is to encourage and develop the most favorable climate for business in the region. The goal of the PBEC was to promote active support for multinational economic cooperation in the Pacific region and to forge ties between different economic communities.

Pacific Trade and Development Conferences (PAFTAD) have been held slightly less than annually since 1968. Composed primarily of regional economists, acting as individuals and not representatives of their governments, their aim has been to provide a

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[94] Palmer, The New Regionalism in Asia and the Pacific , 133.

forum for the intelligent consideration of economic policy issues of importance to the Asia-Pacific region.

The PAFTAD has faired better as an all-regional organization than another proposal, the Organization for Pacific Trade and Development (OPTAD), which was developed along the same lines as the Organization for Economic Cooperation and Development (OECD). This is due to the PAFTAD's wide based support and membership among the less developed nations while the OPTAD was overwhelmingly dominated by the more developed and mostly non-Asian nations.

The Pacific Economic Cooperation Conference (PECC) is the most comprehensive and the most important of the unofficial regional organizations. Its main focus is on economic cooperation, but since it was organized in 1980, it has evolved into a forum for all Asia-Pacific nations to discuss a wide range of problems and policies. Both the PBEC and PAFTAD are full members of this conference.

The PECC was formed as a result of two conferences. During the first, held in Canberra in September 1980, the decision was made to make the PECC an unofficial organization with each member providing a tripartite delegation consisting of representatives of government, business, and academia. During the second conference, held in Bangkok in June 1982, the ASEAN members expressed reservations regarding the PECC. These reservations reflected the suspicions of all of the developing countries of Asia-Pacific and according to Palmer,

> they feared that the new organization for Asia-Pacific cooperation would be dominated by the few developed states of the region, particularly by Japan and the United States, and would turn into a "rich man's club" that

would not give adequate attention and assistance to less-developed members. ASEAN states also feared that their participation in PECC might weaken ASEAN, which was increasingly becoming the focus of their regional cooperative programs.[95]

A widely discussed paper by Hadi Soesastro of Indonesia expressed "five imperatives" upon which ASEAN's participation in Asia-Pacific regional cooperative programs would depend. These 'five imperatives' were:

- ASEAN must not be weakened nor its existence and prosperity jeopardized.

- ASEAN must perceive clear benefits from regional cooperation which in totality far exceed the possible costs.

- The concept must not compromise the non-aligned status of the ASEAN states nor enmesh them in political entanglements which they seek to avoid.

- The concept must not be perceived as a Western, neo-colonial proposal devised for Western neo-colonial purposes.

- It is important for the ASEAN states to feel that they are not being rushed into anything.[96]

Among the official regional organizations, three stand out for discussion. The Economic and Social Commission for Asia and the Pacific (ESCAP) is one of the regional commissions of the United Nations and is the most comprehensive official organization in the Asia-Pacific region. It was originally established in 1947 by the Economic and Social Council of the United Nations (ECOSOC) as the Economic Commission for Asia and the Far East (ECAFE), but was renamed in 1974 to reflect its

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[95] Ibid., 143.

[96] Ibid., 143-144.

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expanding geographic scope and its broader mission. It currently has thirty-seven members and seven associate members encompassing almost all nations in the Asia-Pacific region as well as South-Asian and European members.

The Colombo Plan, originally called the Colombo Plan for Cooperative Economic Development in South and Southeast Asia, was formed in July 1951 by Britain and the Commonwealth countries as well as Malaya and British Borneo. It has gradually broadened its membership and functions. It now provides assistance for the economic and social advancement of most of the nations of the Asia-Pacific region. In 1977, the name was changed to the Colombo Plan for Cooperative Economic and Social Development in Asia and the Pacific to reflect this expansion.

The Asian Development Bank (ADB) was established in 1966 under the auspices of the ECAFE. There are currently forty-seven member countries, thirty-two from the region and fifteen from outside. Those fifteen non-regional members are the developed nations of Western Europe, Canada, and the United States. Its largest shareholders and contributors are Japan and the United States. During most of its existence these two countries made equal contributions to the Asian Development Fund, which is administered by the ADB; recently, however, contributions by the United States have decreased, while those of Japan have increased. The "ADB has become a major catalyst in promoting the development of the most populous and fastest growing region in the world today.... The Bank's operations cover the entire spectrum of economic

development, with particular emphasis placed on agriculture, rural development, energy and social infrastructure."[97]

These economic organizations have not been formed by indigenous Southeast Asian initiatives, they have had wide membership beyond not only Southeast Asia but the Asia-Pacific region as well, and in many cases have been under non-Asian, great power control; but they have provided a forum for dialogue on regional issues important to Southeast Asia and are similar to more recent developments in Asia-Pacific regionalism that will be discussed in a later section.

The first attempt at a regional security organization was the Southeast Asia Treaty Organization (SEATO). Instigated by the United States, with Secretary of state John Foster Dulles in a leading role, it is better described "as a part of the worldwide US-led system of anti-Communist military alliances, or security arrangements, than a true Southeast Asian regional arrangement. It emerged out of a conference in Manila in September 1954, shortly after the Geneva conference on Indochina following the final victory of the Viet Minh over the French with the fall of Dienbienphu."[98] The participating nations were Australia, France, Great Britain, New Zealand, Pakistan, the Philippines, Thailand, and the United States. Together they signed a Southeast Asia Collective Defense Treaty (or the Manila Treaty) and proclaimed a Pacific Charter. The treaty area was designated as the "general area of Southeast Asia" although only two

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[97] Ibid., 150.

[98] Ibid., 62.

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Southeast Asian nations were members. The treaty contained provisions for collective defense in case of armed attack on its Asian members and designated associate states of Cambodia, Laos, and South Vietnam, but by the early 1960s it was already clear that it was losing its effectiveness. According to William Tow, the "Kennedy administration's refusal to activate SEATO during the Laos crisis of 1960-62 sealed its fate as an ineffective collective defense accord."[99] Although it survived until after the Vietnam War, its provisions were not invoked to support US involvement. SEATO was formally dissolved in 1977.

In 1966, the Asian and Pacific Council (ASPAC) was organized at the initiative of President Park Chung-hee of South Korea. It had some significance as an example of a "multi-regional organization designed to bring together most of the leading non-Communist nations of the Western Pacific to deal with external threats (many stemming from the developments in Indochina) and to provide a framework for more widespread cooperation." Its membership consisted of Australia, Japan, Malaysia, Taiwan, New Zealand, the Philippines, South Korea, South Vietnam, and Thailand (with Laos as an observer). In a joint communiqué issued at the close of the organizational meeting in Seoul, these members announced their "determination to preserve their integrity and sovereignty in the face of external threats." At the same time, they agreed that this new organization should be "nonmilitary, nonideological, and not anti-Communist."[100] This

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[99] Tow, William T., "Contending Security Approaches in the Asia-Pacific Region," Security Studies 3, no. 1 (Autumn 1993), 86.

[100] Palmer, The New Regionalism in Asia and the Pacific, 63.

organization, with only four Southeast Asian members, had no clear objectives, little support from its membership, and only lasted for seven years. It was dissolved in September 1973.

Two different types of organizations, with more limited objectives and membership, were formed in the early 1960s. In response to a proposal by the Malayan Prime Minister, Tunku Abdul Rahman in 1959, the Association of Southeast Asia (ASA) was formed in July 1961 by Malaya, the Philippines, and Thailand. It was formed to provide socio-economic and technological cooperation, but quickly became a casualty of Malaya-Philippine territorial disputes over Sabah which was incorporated into the Federation of Malaysian in August 1963. The Philippines refused to recognize this new federation due to long-standing claims to Sabah. As a result, the two countries broke off diplomatic relations which were not reconciled until 1966. Indonesia decided not to join due to Philippine and Thai bilateral military ties to the United States. In spite of its short life, ASA is seen as the forerunner of ASEAN.

Maphilindo was formed by Malaya, the Philippines, and Indonesia to promote a greater Malay Confederation, but each had it own interests. Indonesia and the Philippines had desired to block Malaya's incorporation of the Borneo states of Sabah and Sarawak into the Federation of Malaysia and Malaya participated to defuse these tensions and to prevent a tighter alliance between Indonesia and the Philippines.[101] This association died at birth, when the Federation of Malaysia was formed in August 1963

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[101] Tow, "Contending Security Approaches in the Asia-Pacific Region," 85.

with the inclusion of Singapore and the Borneo states. Neither the Philippines nor Indonesia recognized this new federation and the resulting military confrontation between Indonesia and Malaysia lasted until Sukarno's fall in 1967.

These four unsuccessful attempts at regional cooperation failed because of limited Southeast Asian membership or the inclusion of and domination by external members, especially the great powers. These attempts, however, provided the foundation for two success stories, the Five Power Defense Arrangement and the Association of Southeast Asian Nations, which will be examined next.

Prior to their independence, the security of Malaysia and Singapore was the responsibility of the United Kingdom. With the formation of independent Malaysia in 1963, their security and defense was provided by the Anglo-Malaysian Defense Arrangement (AMDA). When the British government decided to withdraw their remaining forces from Malaysia, it was proposed that this existing arrangement be replaced by a new agreement. This new organization, the Five Power Defense Arrangement (FPDA) was formally established on 1 November 1971 between Australia, the United Kingdom, New Zealand, Malaysia, and Singapore which had left the Malaysian Federation in 1965. An Integrated Air Defense System (IADS) was established within the framework of the FPDA to assume responsibility for the air defense of Malaysia and Singapore. This network coordinates surveillance of the Malayan Peninsula and parts of the eastern Indian Ocean and the South China Sea.

There are no alliance commitments requiring the physical stationing of multinational forces, but instead the FPDA "requires the five nations to consult one another in the event of external aggression against Malaysia and Singapore. The members will then decide what measures are necessary, jointly or separately, in response to the aggression or (impending) threat."[102] In recent years, this arrangement has also served as a basis for joint military exercises between its members and for the management of the IADS.

Another success story, the Association of Southeast Asian Nations (ASEAN), was formed in August 1967 with the announcement of the historic "Bangkok Declaration" by the original five members: Malaysia, Thailand, Indonesia, the Philippines, and Singapore. Its formation came soon after Indonesia and the Philippines finally extended recognition to the Federation of Malaysia and the end of direct confrontation between Indonesia and Malaysia that had been going on since 1963. According to the Bangkok Declaration, ASEAN was established

> "to accelerate economic growth, social progress, and cultural development in the region," "to promote active collaboration and mutual assistance . . . in the economic, social, cultural, scientific, and administrative fields" and "to promote regional peace and stability." In spite of the last of these stated objectives, the framers of ASEAN insisted that the new organization would not deal directly with security matters and would also avoid controversial political issues. This stated aversion to formal involvement with problems of security and defense and delicate political issues is characteristic of almost all the regional organizations in Asia and the Pacific.[103]

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[102] "The 1994 FPDA Conference in Singapore," Asian Defence Journal (October 1994), 20.

[103] Palmer, The New Regionalism in Asia and the Pacific, 65.

The association has been particularly concerned about external interference and as early as 1971, the Kuala Lumpur Declaration stated the now long standing objective to make Southeast Asia a "Zone of Peace, Freedom, and Neutrality" (ZOPFAN), free from any form or manor of interference by outside powers.

Although there have been annual ministerial meetings (ASEAN-AMM) of member country foreign ministers, there have been only four summits in 27 years. The last one, in 1992, decided among other things to schedule further summits at regular intervals every three years. The first summit met in Bali in 1976 where the ASEAN Secretariat was formed. Two important agreements also came out of this first summit: the Treaty of Amity and Cooperation and the Declaration of ASEAN Accord. Together these have provided a broad framework for cooperation in the region.

The fall of Saigon and the withdrawal of the last U.S. troops from Vietnam in 1975 and the Vietnamese invasion of Cambodia and the fall of Pol Pot's Khmer Rouge regime in December 1978 focused ASEAN security concerns on the land-based threat from Indochina for the next decade. This threat included the flow of refugees and "boat people" from both Vietnam and later Cambodia to primarily Thailand and Malaysia which exacerbated the tensions on both sides as well as within ASEAN. In response to the Vietnamese invasion of Cambodia, a second ASEAN summit was hastily convened in Kuala Lumpur less than a year after the first. This summit set the agenda for ASEAN until a third summit was held in Manila in 1987. The overriding preoccupation of ASEAN being the security problems created by the Communist states of Indochina.

Vietnamese withdrawal from Cambodia, completed in 1989, and the removal of Soviet support from Vietnam culminated in the Paris Agreements of 1991. This began the process of normalization of relations between the Indochina states and the rest of Southeast Asia and United Nations peacekeeping and nation-building in Cambodia. This easing of tensions removed the unifying threat to ASEAN at the same time the Cold-War was ending with the breakup of the Warsaw Pact and the Soviet Union. With the breakup of the Soviet Union, its Pacific military successor, Russia, withdrew from the region.

Since the end of colonialism there has been an associated rise in nationalism in Southeast Asia. This nationalism has been both the driving force behind many regional proposals and the brake applied to limit their success. The nations of Southeast Asia have determined that it is in their national interests to cooperate on many areas of common concern. They have traditionally concentrated on economic cooperation, but over time these interests have expanded to security concerns.

At the same time, there is a long history of independence on issues that touch on national sovereignty. Beginning with the Bangkok Declaration at the formation of ASEAN, the members declared their determination "to ensure their stability and security [free] from external interference in any form or manifestation in order to preserve their national identities in accordance with the ideals and aspirations of their peoples."[104] In 1971, the Kuala Lumpur Declaration included the affirmation that the member states are

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[104] Ibid., 69.

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"determined to exert initially necessary efforts to secure the recognition of, and respect for, Southeast Asia as a Zone of Peace, Freedom and Neutrality, free from any form or manor of interference by outside powers."[105] This preoccupation with sovereignty and non-interference also forms the basis of the 1976 Treaty of Amity and Cooperation and the Declaration of ASEAN Accord. The nations of Southeast Asia have found it in their individual national interest to use the forum of ASEAN to promulgate their views on non-interference by external powers and to use ASEAN "solidarity" to back up this position. According to Palmer, as far back as the 1970s, "some of the Pacific countries with special ties and interests in Southeast Asia expressed an interest in periodic consultations with ASEAN."[106] These overtures were not pursued at the time due to fears of external intervention and domination by the more powerful nations of the Asia-Pacific region and the weakness of the ASEAN association. With another two decades of experience, the end of the Cold War has given rise to a resurgence of interest in dialogue between ASEAN and the rest of the Asia-Pacific. This interest comes from within and from outside of ASEAN.

Economic cooperation in Southeast Asia has been evolving on three levels: global, regional, and sub-regional. Formal initiatives on these three levels are the General Agreements on Tariffs and Trade (GATT), the Asia-Pacific Economic Cooperation (APEC), and the ASEAN Free Trade Area.

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[105] Ibid., 70.

[106] Ibid., 71.

While an ongoing initiative towards global trade liberalization and not an Asian initiative, GATT still provides the framework within which regional organizations are formed. The most recent, Uruguay Round of negotiations went into force in 1994 and resulted in a 40 percent reduction in the tariffs developed countries place on industrial products (excluding petroleum) from a trade weighted average of 6.3 to 3.8 percent.[107]

One of the most significant accomplishments of the Uruguay Round was the establishment of the World Trade Organization (WTO). In addition to establishing a permanent General Council to oversee operations between biannual meetings of a Ministerial Conference, this Council will act as a Dispute Settlement Body tasked with administering the WTO's dispute settlement procedures.

The Conference on Asia-Pacific Economic Cooperation (APEC) first met in Canberra in November 1989. This conference was proposed by former Australian Prime Minister Bob Hawke as a comprehensive, official, all Asia-Pacific mechanism for economic cooperation. It was convened to provide a forum for dialogue on the interdependence of economic prosperity and political stability in the Asia-Pacific region. After some hesitation, the ASEAN countries agreed to send representatives, and the conference now includes the ASEAN members as well as Australia, Canada, Hong Kong, Japan, New Zealand, the PRC, South Korea, Taiwan, and the United States.[108] It was

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[107] Wisarn Pupphavesa, "AFTA, APEC and WTO: How They Fit Together," (Paper presented at the 1995 Pacific Symposium, Honolulu, Hawaii, 22-23 February 1995), 33.

[108] Palmer, The New Regionalism in Asia and the Pacific, 73.

agreed from the beginning that APEC would focus on the economic themes of sustained growth and development in the region and non-discriminatory trade liberalization and not on political or security issues.

Annual ministerial meetings have been held since 1989. The fourth such meeting, held in Bangkok in 1992 set up a permanent APEC Secretariat to be located in Singapore and established the Eminent Persons Group (EPG). In 1993, in Seattle, an informal leaders meeting was proposed and hosted by President Clinton. This format was repeated at the APEC meeting held in Bogor, Indonesia in November 1994. While APEC has concentrated on economic issues, this elevation to the summit level will insure that it will take on more regional security issues. For an organization that began as little more than a forum for discussion, it has taken on the trappings of a formal institution: a Secretariat, standing committees, and annual ministerial and leaders meetings.

The 1994 APEC meeting also produced the Declaration of Common Resolve. This declaration stated that the members are to use APEC to continue the work begun by GATT towards an open multilateral trading system and not an inward looking trading bloc. It also made the commitment to achieve "free and open trade" in the Asia-Pacific no later than 2020. Allowing for differences in development, industrialized members would be required to meet this goal by 2010 with developing members by 2020.

In December 1990, Malaysian Prime Minister Mahathir proposed an alternative to APEC, the East Asian Economic Grouping (EAEG). His desire was to promote a more Asian sense of regional community by the exclusion of Australia, Canada, New Zealand,

and the United States. In October 1992, he stepped up his campaign for such an organization, now called the East Asia Economic Caucus (EAEC), during a visit to Tokyo by arguing "that APEC was an economic and political tool of the United States."[109] Mahathir desired the EAEC to counter what he saw as insular trade blocs developing elsewhere. This debate, while not dead, has been muted by the inclusion of the EAEC as a standing committee within APEC.

Changes in the economic environment since then has made AFTA the "right idea at the right time" when proposed by Thailand in 1991. These changes include the growth of regional trading blocs such as NAFTA and the EU. Though non-discriminatory to non-members, these blocs increase trade and investment preferences to members and as a result increase intra-regional trade at the expense of non-members. Add to this new competition from the emerging economies of China and Vietnam. These are seen a threat to the ASEAN share of markets and investment capitol.

Along with these threats, the ASEAN members recognize their weakness in acting along in extra-regional relationships. In spite of regional competition, they recognize it is in their best interest to come together and speak as one voice. This new economic voice being AFTA. The AFTA concept was first endorsed at the fourth ASEAN summit in January 1992 with the goal of lowering import tariffs on most manufactured goods within 15 years. In contrast with NAFTA which describes in detail how its provisions will be carried out, AFTA began as little more than an agreement in principle with the details to

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[109] Tow, "Contending Security Approaches in the Asia-Pacific Region," 116.

be worked out later. It was stated that it was more important to achieve consensus on the goal then to hammer out the specific details. The timetable to reach this goal of reducing import tariffs for members to below 5 percent and to extend the tariff cuts to cover unprocessed agriculture was shorted by five years (to January 2003) in response to the latest APEC initiatives. This decision was endorsed by the ASEAN Economic Ministers in September 1994. Most of the details have been worked out and harmonization of tariff nomenclature, customs procedures, and customs valuations should be completed by the end of 1995.[110]

> It should be noted that AFTA members are extremely outward looking; intra-ASEAN trade accounts for less that 20 percent of their total trade. The major expected benefit of AFTA is to enhance the competitiveness of the region for production geared towards the global market through tariff reductions and elimination of non-tariff barriers. In other words, the goal of AFTA is to generate greater efficiency and effectiveness of business transactions in the region rather that to create an inward-looking trading bloc.[111]

Another initiative has been the recent development of regional "growth areas" in Southeast Asia to stimulate investment and growth in underdeveloped areas. One such area in the formation of an East ASEAN Growth Area (EAGA), a so-called "growth quadrangle" linking Brunei with the largely neglected outer island provinces of

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[110] Imada-Iboshi, Pearl, "Economic Cooperation in the Asia-Pacific: NAFTA, ASEAN, and APEC," (Paper presented at the 1995 Pacific Symposium, Honolulu, Hawaii, 22-23 February 1995), 7.

[111] Ibid., 8.

Indonesia, Malaysia, and the Philippines.[112]   A second "growth triangle" has been

formed between Malaysia, Indonesia, and Thailand.

Since the end of the Cold-War, there have been many proposals for multilateral

organizations that would promote a defense or security dialogue. In July 1990, Canadian

foreign minister Joe Clark proposed a North Pacific Cooperative Security Dialogue "to

pursue cooperative security by rectifying uneven economic development, preventing

trade disputes and environmental degradation, and establishing sectors of interaction in

non-traditional and multilateral security venues."[113]   Later that same month, Australian

foreign minister, Gareth Evans expanded this idea in calling for a more broad based

Conference on Security and Cooperation in Asia (CSCA) modeled after the Conference

on Security and Cooperation in Europe (CSCE).

Indonesian foreign minister Mochtar Kusumaadmadja, in September 1990,

proposed the Malaysia-Singapore-Indonesia Defense Agreement (MASINDO) as a

replacement for the FPDA. Indonesia envisions a defense pact between the Malacca

Straits powers to safeguard ASEAN maritime interests. In April 1992, Australian prime

minister Paul Keating proposed a Heads of Government Summit of APEC members as a

means of integrating a regional security dialogue into the APEC structure. In May 1992,

Malaysia proposed a regional Security Dialogue that would have included APEC

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[112] Geoffrey C. Gunn, "Brunei Darussalam in 1994: The Triumph of Regionalism?," Asian Survey 35, no. 2 (February 1995), 219

[113] Tow, "Contending Security Approaches in the Asia-Pacific Region," 97.

members to provide a forum for dialogue between senior defense officials on regional security issues. These proposals continue the dialogue and provide a pattern of progress towards greater multilateral security dialogue and cooperation.

ASEAN as a regional organization is well on the way to full Southeast Asian membership. With the addition of the newly independent state of Brunei in 1984, six of the ten Southeast Asian nations are members. Where Vietnam was once the primary threat to ASEAN, at the Manila ASEAN-AMM in 1992 both Vietnam and Laos have signed the 1976 Treaty of Amity and Cooperation as a first step to full membership and were given observer status to allow them to attend future ASEAN-AMMs. This treaty includes the commitment to peaceful resolution of conflict and to functional, especially economic cooperation. This leaves Cambodia and Burma, both with significant progress required before membership can be considered.

Following the 1977 summit in Kuala Lumpur, at the annual ASEAN post-ministerial conference (ASEAN-PMC), the first informal meetings of the foreign ministers of ASEAN members and interested parties, now formally known as the "dialogue partners" began. Over the years, these meetings have allowed the opportunity for discussion with outside powers on a wide range of issues. These issues have been predominately economic, but common concerns revolving around developments in Indochina such as the flow of refugees have also been discussed. "By the mid-1980s, it had developed into a de facto security dialogue regarding Indochina's future and regarding the creation of an acceptable structure of peace balancing great power strategic

involvement in Southeast Asia."[114]   Beginning in 1992, this conference agreed for the first time to add security issues to their agenda and now includes the foreign ministers of the six ASEAN members, formal dialogue partners consisting of Australia, the European Community, Canada, Japan, New Zealand, South Korea, and the United States, and two observers: Laos and Vietnam.

At the 1993 ASEAN-AMM in Singapore, the ASEAN Regional Forum (ARF) was created and met for the first time in Bangkok on 25 July 1994. This forum provides for a security dialogue among ASEAN members, the dialogue partners, three observers(now including Papua New Guinea), and two guests: Russia and the PRC. Where in the past ASEAN has responded to crisis in an ad hoc manor, this forum is a first step towards a regional security organization.

This first meeting of the ARF scheduled between the ASEAN-AMM and PMCs lasted for only three hours but agreed to the following provisions:

- The meeting will be convened on an annual basis and the second meeting will be held in Brunei in 1995.

- The subjects which ARF may study in the future include confidence and security building, nuclear non-proliferation, PKO (Peacekeeping Operations), exchanges of non-classified military information, maritime security issues, preventive diplomacy and the comprehensive concept of security.

- ARF endorsed the purposes and principles of ASEAN's Treaty of Amity and Cooperation in Southeast Asia in 1976, as a code of conduct governing relations between states and a unique diplomatic instrument for regional confidence building, preventive diplomacy and political security cooperation.

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[114] Ibid., 83.

- The meeting will promote the eventual participation of all ARF countries in the UN Conventional Arms Register.

- Of most importance at the meeting was that members expressed firm conviction to continue to work towards the strengthening and enhancement of political and security cooperation within the region as a means of ensuring lasting peace, stability and prosperity for the region and its peoples.[115]

Despite the fact that the ARF was an indigenous ASEAN proposal, it is not entirely clear that ASEAN favors an Asia-Pacific-wide approach over its more traditional regional ones.[116] The major rationale behind the proposal of the ARF has been the desire of the ASEAN nations to control the development of this Asia-Pacific security process, not to be "subsumed within a wider Asia-Pacific framework as the dialogue process is expanded, especially if the major powers take the lead."[117] This is the same rationale behind the Malaysian economic proposal for a more Asian organization than APEC.

According to Jusuf Wanandi, chairman of the supervisory board of the Center for Strategic and International Studies in Jakarta, "confidence-building and transparency is part of ASEAN's four-pronged approach to regional security."[118] This approach consists of increasing security cooperation within ASEAN, preparing other Southeast Asian

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[115] Song Young-Sun, "The prospect of ARF as a Regional Security Framework" (Paper presented at the '94 International Security Conference KIDA, Seoul, Korea, 16-17 November 1994), 9-10.

[116] Mark G. Rolls, "Security Co-operation in Southeast Asia: An Evolving Process," Contemporary Security Policy 15, no. 2 (August 1994), 75.

[117] Ibid., 75..

[118] Zain Amri, "The ASEAN Regional Forum: Hope for Success but Tread With Care," Asian Defence Journal (August 1994), 23.

countries for membership, continued relations with the great powers, and by increasing ASEAN and United Nation's efforts at cooperative security or peacekeeping.

Within Southeast Asia there are still historical disputes such as those between Indonesia and Malaysia or the Philippines and Malaysia over the status of Sabah. With the expanded rights of coastal states as a result of the Third UN Convention on the Law of the Sea (UNCLOS III), the South China Sea is considered a semi-enclosed sea, often referred to as a geographical lake. It is bordered by Vietnam, Malaysia, Brunei, and the Philippines with the PRC and Taiwan to the north. Not only do all these nations have conflicting historical claims to this area, but there are numerous new disputes resulting from overlapping Exclusive Economic Zones (EEZs). These disputes have already resulted in the use of military force as occurred between Vietnam and the PRC on March 14, 1988, but also to the threat of force which works to undermine efforts toward peaceful resolution.

In addition, there are disputes over the flow of refugees, labor, illegal immigrants, smuggling, drug trafficking, poaching, piracy, and navigational safety among others that need to be resolved and are best discussed in a multilateral framework.

Although attempts at Southeast Asian regionalism have been abortive, limited, and primarily externally initiated, ASEAN, an indigenous organization, has enjoyed a modicum of success. Formed primarily in response to security concerns, it has until recently focused on economic cooperation. Since the end of the Cold-War new initiatives towards further integration and advancement of security concerns such as the ARF have

been proposed, while at the same time problems such as the multinational dispute over the South China Sea and overlapping EEZs have come up to stress the capability of the organization to resolve disputes and prevent conflict. The agenda for the 1995 ARF meeting is limited to confidence building measures, peace keeping efforts, and preventive diplomacy. The absence of dialogue on national interests severely inhibits any genuine progress. It is yet to be seen if this can be overcome to form an effective, fully integrated, regional association capable of not only preventing conflict but also resolving disputes.

With the end of the Cold-War has come the loss of the obvious East/West threat taking with it much of the superpower presence in the region and subsequently has increased the uncertainty and insecurity of Southeast Asian states at a time when economic success has provided many of them with the means to provide for an increased share of their own security. This increased economic, political, and military power could be a source of or a threat to regional security.

In responding to the very real need of coastal nations, with newly expanded resource and mineral rights as well as existing maritime security requirements such as the prevention of piracy, smuggling, safety of navigation, and the environment, to modernize in an uncertain post Cold-War security environment, it is clear that Southeast Asian nations experience great difficulty in trying to move beyond unilateral or traditional Southeast Asian bilateral action.

Therefore, despite much effort towards regional security cooperation, ASEAN is not likely to become a collective security organization. This is true for the following reasons:

- The absence of a common threat(s) to the ASEAN-six;

- The need to resolve conflicts arising from overlapping EEZs in the South China Sea;

- The lack of interoperability among ASEAN armed forces and differing military doctrines and orientations; for example, between Singapore's forward defence out into the South China Sea and Indonesia's defence in depth;

- Continued reluctance to expand bilateral to multilateral exercises despite the advantages of the latter. Thus, although trilateral exercises among Indonesia, Malaysia, and Singapore could create an effective Straits-of-Malacca control arrangement, they have not occurred. Nor have similar arrangements among Thailand, Malaysia and Indonesia for the Andaman Sea approach to the western entrance of the Malacca;

- Individual ASEAN members prefer to rely on outside powers to augment their own security efforts - Malaysia and Singapore on Great Britain, Australia, and New Zealand through the Five-Power Defense Arrangements (FPDA); and Thailand and the Philippines on the United States through the Manila Pact and a mutual defense treaty.[119]

- Concentration on bilateral instead of multilateral relationships both intra-regionally and with external powers on substantive issues.

- - The limited membership of ASEAN since only six of Southeast Asia's states are members and while steps are being taken to bring the remaining four into the association, economic and political turmoil and different levels of development will make full integration at least as difficult as that of incorporating Eastern Europe into the European Union.

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[119] Sheldon W. Simon, "U.S. Strategy and Southeast Asian Security: Issues of Compatibility," Contemporary Southeast Asia 14, no. 4 (March 1993), 310.

All in all, therefore,

> ASEAN seems to have established itself as a comprehensive regional organization that is growing in strength and in support from its members, its "dialogue partners," and many other countries, and that is beginning to function as a collective entity on the international stage. It is becoming, in short, an important international as well as regional and interregional actor,[120]

but it still has a long way to go.

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[120] Palmer, The New Regionalism in Asia And the Pacific, 74.

VI. U.S. NATIONAL STRATEGY: TOWARD THE 21ST CENTURY

According to W.Y. Smith, writing on the eve of the Persian Gulf War, past U.S. policy is a useful guide to future U.S. strategic thinking, but it is not sufficient to predict future U.S. policy. He projects three patterns likely to influence U.S. national security policy in the future:

- The United States will be less willing and less able to take unilateral military action than it has in the past;

- The U.S. Congress will insist on a more influential role in decisions concerning war and peace; and

- Divergent perceptions of national interests in a world with fewer constraints on actions by national governments will encourage individualism that will threaten historic friendships and alliances.[121]

As absolute and relative U.S. power declines in the future, and it will be most apparent in the Asia-Pacific region, the costs of intervention increase. While it is important that the United States should maintain the capability to act unilaterally to protect vital national interests, it is clear that this will take on ever increasing costs and may not always be possible. The increased cost of acting alone has strengthened the call for increased burden-sharing in crisis operations, UN peace operations, and general deterrence.

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[121] W.Y. Smith, "Principles of U.S. Grand Strategy: Past and Future," The Washington Quarterly 14, no. 2 (Spring 1991), 76-77.

Congress, for its part, has taken an assertive, proactive role in U.S. foreign policy and this trend along with fostering public support is increasing. In this regard, the President must make a greater effort to convince the American people of the importance of Asia to the United States and the need to remain engaged to justify the other elements of policy such as treaty obligations and forward presence.

The international system has always been anarchic. While there have been attempts to establish a supranational body to enforce order, and in spite of the euphoria at the end of the Cold War and the proclamation of a "new world order," one does not exist. Nationalism is stronger today than ever before and sovereignty is the battle cry. During the Cold War, there existed a relatively stable, bi-polar international system which divided the World into roughly two camps, the Communist camp led by the Soviet Union and the West, led by the United States. These two camps and their superpower leader constrained the actions of those states which fell into their "spheres of influence." In the future, without this stable bipolar system and its "spheres of influence," all countries are again free to act in their own self interests. These interests may not necessarily be those of the United States. This freedom to act independently of U.S. foreign policy is causing a great deal of friction in the Asia-Pacific not only between the United States and Japan, which desires a leadership role commensurate with their economic position, but also between Japan and the emerging superpower, China.

U.S. national interests are fundamental and enduring, but they are easily confused with national objectives. The national interests can be reduced to the enduring concepts

of security, trade, and access. Democratization and respect for human rights, the recently added interests embodied in enlargement, are noble objectives but are not fundamental interests. They will always take second place to the survival of the United States. In peacetime, with our security intact, greater emphasis may be placed on realizing these objectives but their place in the hierarchy of interests and objectives should be clearly understood because of their importance in the making of policy.

In the Asia-Pacific, U.S. national interests are seen more clearly and U.S. commitment to the region must be couched in terms of these fundamental interests to be credible. The nations of the region understand that they cannot base their survival on U.S. commitment to democracy in the same way they had with the U.S. commitment to containment during the Cold War.

Southeast Asia is a diverse region of enduring conflicts and that the end of the Cold War has brought with it the most profound peace the region has known since World War II, but also uncertainty. New conflicts have been joined due to changes in the law of the sea, the globalization of trade, markets, and investment, and the search for resources to fuel continued growth. Stability and prosperity have brought with them increased competition at the same time that previously isolated economies are opening to the global market and placing a strain on the world-wide resource of capital.

Southeast Asia is a region of promise, a region of stability, growth, and relative prosperity, but it contains two primary troublespots: Burma, with a repressive government and a closed economy is falling further behind the rest of the region in

economic growth as well as political and social liberalization; and Indochina, which after decades of conflict is making an attempt at the liberalization of markets but is starting far behind the ASEAN members. Full integration into the region is still many years away.

Regional prosperity and growth have been and still are linked to regional stability and security which provide an environment which allows those in the region to focus on growth and development without having to spend a disproportionate amount of their national treasure on maintaining that stability. This secure environment has been underwritten as a "public good" by a Western, primarily U.S. led, Cold War alliance system. With the end of the Cold War , the raison d'être for this threat based system has dissolved, but the importance of continued peace and stability remain.

To neo-isolationists in the United States, the loss of this threat driven strategy in Asia would justify a complete withdrawal from the region, but the world is still a dangerous and uncertain place and U.S. economic interests are engaged abroad as never before. The United States must remain engaged for both security and economic reasons.

To enhance security, the United States needs to play a leadership role to shape the developing post-Cold War system to its favor. The United States is also in the unique position of being, while not wholly trusted, the "honest broker" in regional affairs. In the play for influence, Japan desires U.S. support to maintain security in Northeast Asia and to balance against a resurgent China and China desires U.S. presence, in the context of the present U.S.-Japan relationship, as a means of controlling Japanese influence. ASEAN not only wants to see a favorable balance of power develop in Northeast Asia,

but also desires continued U.S. presence in Southeast Asia to "guarantee" the stability that has developed. This stability not only promotes trade but also reduces the expense of each providing for their own defense, both of which are vital to continued growth.

In Southeast Asia, ASEAN, after almost 30 years is still an organization of both profound strength and weakness. Originally formed in response to security threats within the region it acted throughout most of the Cold War primarily as a forum for dialogue on economic issues and not one dispute has been resolved in this forum. With this said, however, ASEAN today is seen as a success, even a model for regional organizations worldwide. The reason for this apparent paradox is that intra-regional disputes, while resolved strictly on a bilateral basis even today, have not been allowed to breakup an organization that all have found to be useful in support of their interests at one time or another. In this way the organization survives and maintains a contact between states that may otherwise have been isolated. This has worked to lower tensions in general and norms of behavior have been established. The primary regional objectives of ASEAN have always been:

- Internal Stability; The stability of each member is essential to regional peace
  - and security so that each member contributes to regional peace by eliminating threats or subversion at home.

- Self-Reliance; The Indonesian concept of "national resilience" or that a state should not depend on an external power to protect their security. From this flowed the desire for a Southeast Asian Zone of Peace, Freedom, and Neutrality (ZOPFAN), a largely defunct, Cold-War objective.

- Prosperity; To promote economic and social development to increase the standard of living of all people. This has taken on the multilateral dimension of AFTA within the region and participation in APEC.

- Sovereignty and Conflict Resolution; The fundamental norms of non-interference in the internal affairs of sovereign states and the peaceful settlement of disputes. These norms have been formalized in the Treaty of Amity and Cooperation that has been signed by all ASEAN members.

In security cooperation, however, ASEAN has been less than a success. Traditionally, ASEAN has not been in a position to take on major security issues. The closest ASEAN has come to responding to a common threat was in response to the Vietnamese intervention in Cambodia during the third Indochina conflict. This response, however, clearly reflected not only ASEAN's weakness but strength. Weakness in its impotence to take any meaningful military response and strength in its ability to form a unified political and diplomatic response and to hold it together for the duration of the conflict. This response took the form of continued pressure on the UN to act.

The Vietnamese intervention in Cambodia had violated two fundamental norms of interstate relations: non-interference in the internal affairs of sovereign states and conflict resolution by peaceful means. The ASEAN members responding to the land based threat to Thailand by Vietnam took their case to the UN. This resulted in the July 1981 declaration of the International Conference on Kampuchea (ICK) that called for the complete withdrawal of all foreign force from Cambodia and emphasized the right of self-determination of people. A decade later, the Paris arguments of October 1991 set the stage for these goals to be carried out under the auspices of the newly formed UNTAC. In Southeast Asia this is seen as a successful multilateral solution that would not have resulted without the combined strength of a common voice through ASEAN in the UN.

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Where does current U.S. national security strategy play in the development of Southeast Asia? The strategy of engagement, the security component of this strategy, promotes stability and thus prosperity which are vital not only to the United States but every country in the region. It is in the second component, enlargement where the interests of the United States and Asia diverge.

Enlargement is itself composed of the two related concepts of self-determination and human rights. The United States believes that these are not only national values but fundamental rights of man while most of Asia argues that these are culturally determined and are not universal. Herein lies the dilemma. It was argued in Chapter II that these are values and not interests and as such should not be the criteria by which to develop and judge national strategy. The United States must develop its own values and belief systems as any nation must, and it is appropriate to promote those beliefs abroad but the nation should not sacrifice higher priority interests of security and prosperity in the process.

In the Asia-Pacific in general and Southeast Asia specifically, there is a trend away from authoritarian regimes towards more "democratic" forms of government which has paralleled national and economic development and prosperity. There is no reason to expect that this will not continue. With this development has come power, both in the military sense as well as political and economic. This increase in relative power relative to the United States will also continue. For the United States to retain its leadership role and influence in the region, there must be more of a dialogue based on equality and partnership and less based on the "enlargement" of any particular system of values as

percieved by the Americans. Resolution of conflict in Southeast Asia, as everywhere else in the world, is of far more benefit to mankind when it is based on diplomacy and compromise between equals rather than upon the threat or use of force.

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